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PROPOSED FISCAL YEAR 1989 BUDGET REQUEST
(Department of the Interior)

HEARING

BEFORE THE

COMMITTEE ON
ENERGY AND NATURAL RESOURCES
UNITED STATES SENATE

ONE HUNDREDTH CONGRESS

SECOND SESSION

TO REVIEW THE PRESIDENT'S PROPOSED BUDGET FOR FISCAL YEAR 1989 IN CONNECTION WITH THE PREPARATION OF THE REPORT TO THE SENATE BUDGET COMMITTEE

MARCH 1, 1988

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PROPOSED FISCAL YEAR 1989 BUDGET REQUEST

Department of the Interior

TUESDAY, MARCH 1, 1988

U.S. SENATE,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, DC.

The committee met, pursuant to notice, at 9:35 a.m. in room SD-366, Dirksen Senate Office Building, Hon. J. Bennett Johnston, chairman, presiding.

OPENING STATEMENT OF HON. J. BENNETT JOHNSTON, U.S. SENATOR FROM LOUISIANA

The CHAIRMAN. Good morning, and welcome once again. It is always a pleasure to have the Secretary of the Interior before the committee.

The budget priorities for the Department of the Interior seem to be fairly consistent with previous budget submittals. I notice that there are some programs on which we continue to agree, some on which we continue to disagree, such as funding for the Land and Water Conservation Fund and coastal erosion studies, and a few on which we have managed to persuade you at least for the time being, such as the distribution of mineral receipts to the states.

I am especially pleased to see that you project a $1.3 billion increase in total receipts, including an increase of $331 million in OCS revenue. It is gratifying that the OCS leasing process is moving forward and includes the two California sales schedules for 1989.

I also note that the 1989 budget proposal provides $2 million for the Fish and Wildlife Service for research in support of oil and gas leasing in ANWR.

Mr. Secretary, it is always a pleasure to have you before this committee, and we look forward to hearing what you have to say to us.

Senator McClure will also have a word to say while you are coming up to the rostrum.

STATEMENT OF HON. JAMES A. McCLURE, U.S. SENATOR FROM IDAHO

Senator McClure. Mr. Chairman, I appreciate the opportunity, because I do have a brief statement I would like to make before we hear from the Secretary.

I am pleased that many of the major differences in national priorities that have divided the administration over the past seven years are not reflected in this proposed budget for Fiscal Year 1989. Perhaps this is because of budget bills on last fall's bipartisan Budget Summit Agreement, or perhaps we are finally arriving at a consensus on Federal natural resources policies. I hope that may not be too much to hope for.

I will observe, however, that although not proposed for next year, the administration once again this year proposes to dispense mineral receipts on a net rather than gross basis beginning with Fiscal Year 1990. Over the last seven years, we have all watched the effect of budget constraints on the viability of this nation's energy and natural resources capabilities.

As Federal programs have been curtailed, the economic viability of our mineral and timber industries upon which many Americans depend for their livelihood has been threatened. The same constraints are reflected in the proposed budget for Fiscal Year 1989.

For example, the administration once again proposes a moratorium on land acquisition by the National Park Service, the Fish and Wildlife Service, and the Forest Service. Yet, there is a 1.3 to 2 million acre backlog of authorized but not yet purchased tract.

Similarly, the administration proposes reductions in National Park Service operations, mining reclamation and enforcement, and in certain Forest Service activities.

Soon the Senate will consider the trade agreement with Canada. Its principal objective is to foster free trade with the United States. However, its objective is unlikely to be achieved if the economic viability of our domestic mineral and timber industries are threatened by Federal budgetary policies.

The Department of the Interior has a special role as the steward of our Nation's natural resources. I will look forward to the Secretary's observations on how we can achieve a balanced Federal budget while assuring the economic viability of those mineral and timber industries that depend on the public lands particularly in the west for their raw materials.

Thank you very much, Mr. Chairman.

The Chairman. Thank you, Senator McClure.

Senator Ford.

STATEMENT OF HON. WENDELL H. FORD, U.S. SENATOR FROM KENTUCKY

Senator Ford. I might say to the Secretary I am particularly interested in certain changes in programs, particularly within the Office of Surface Mining, Reclamation and Enforcement.

I want to echo the Chairman's kind words that you have proposed that perennial reductions in certain programs such as the mineral institutes and the rural abandoned mine program that Congress has never agreed to.

I look forward to asking you some questions in this area and to your response.

Thank you, Mr. Chairman.

The **Chairman**. Thank you, Senator Ford.

Further comments?

Senator **Domenici**. I have no opening statement. Thank you, Mr. Chairman.

The **Chairman**. Welcome, Secretary Hodel, and please proceed in your own way.

STATEMENT OF HON. DONALD P. HODEL, SECRETARY, DEPARTMENT OF THE INTERIOR, ACCOMPANIED BY RICK VENTURA, ASSISTANT SECRETARY FOR POLICY BUDGET AND ADMINISTRATION; JOE GORRELL, DEPUTY ASSISTANT SECRETARY FOR POLICY BUDGET AND ADMINISTRATION; AND TONY ITTEILAG, DIRECTOR OF BUDGET

Secretary **Hodel**. Thank you, Mr. Chairman.

I have with me today Rick Ventura, who is our Assistant Secretary for Policy Budget and Administration; Joe Gorrell, who is the Principal Deputy Assistant Secretary for Policy Budget and Administration; and Tony Itteilag, who is the Director of Budget for the Interior Department. I have a prepared statement which I, with your permission, would like to submit for the record, and then I would like to summarize that briefly, if I may.

The context of this budget is, of course, within the Gramm-Rudman Hollings Act and the Budget Summit Agreement which was agreed to between the Congress and the administration last fall. I think it is fair to say this budget is, as I think several of you have indicated in your comments about it, a predictable budget in light of what we have been presenting to this committee over the last several years.

The total budget, by the way, is $6.6 billion. The portion within the purview of this committee is $3.5 billion, which excludes the Fish and Wildlife Service, the Bureau of Indian Affairs, and the Kennedy Center portion of the National Park Service budget.

In 1988, the amounts appropriated or estimated to be used will be $3.8 billion. That represents a $300 million decrease. What we tried to do in putting this budget together again was to maintain our operating obligations.

The significant reductions are, as I say, predictable from the 1988 estimates. We had land acquisition in the National Park Service, Fish and Wildlife Service, Bureau of Land Management, and overall in our budget that is a $103 million reduction. That is something that, as this committee knows as well as I, we have submitted each year.

In construction, BIA, National Park Service, and Fish and Wildlife Service, again the overall budget is a $122 million reduction; in the state grants portion of the historic preservation activity, there is a reduction of $24 million.

In the prepared statement we list and describe many items of interest as an overview. One you have touched on is the net revenue sharing proposal, which in the past has been a proposal we have made and which has been poorly received on the part of the Congress. As a result of the budget summit agreement, it would be inappropriate for us to recommend that for 1989.

As was duly noted, it does appear in the out-year budget; but, in fact, the out-year budget projections are, as we all know, ephemeral. Next year's budget will have to deal again with the basic issue of whether or not the Administration will submit that proposal.

The other thing I would like to mention, because it has been a matter of some discussion in the past before this committee, is that this budget does not propose reallocating Wallop-Breaux funds in some other fashion. So I welcome the opportunity to be before you, not attempting to defend some such proposal as that, knowing how this committee feels about it.

Our view of the National Park Service budget for operations, in spite of suggestions to the contrary and appearances based on the way in which the budget is put together, is that not only the operating base but the total proposed operating expenses for the National Park Service have increased. Not only have they increased in nominal terms, but they have increased in real terms.

Since 1980, we have seen a 29 percent increase in real terms in the National Park Service budget for operations, which we think is significant. We have seen in that same period of time a smaller increase in visits than in the amounts expended for operations. I am not saying that makes us perfect, but I am saying it is a distinct improvement.

Finally, the remainder of the opening statement details specifics for each bureau of the Department, but I would be remiss in coming before this committee if I did not thank you, Mr. Chairman, and all of the members of the committee for the consideration which you have given the Arctic National Wildlife Refuge legislation.

I know the tremendous work that has been done by you and all of the members and your staffs. I appreciate the decision of the committee a week ago with regard to ANWR, and I look forward to continuing to work with you.

Let me say for the record, and for those who do not support that proposal currently, that I understand the basis of their concerns. We are determined to try to work with them and continue to provide information which hopefully will alleviate some of those concerns.

We thank you very much.

[The prepared statement of Secretary Hodel follows:]

STATEMENT OF DONALD PAUL HODEL
SECRETARY, DEPARTMENT OF THE INTERIOR
BEFORE THE SENATE ENERGY AND NATURAL
RESOURCES COMMITTEE

FY 1989 BUDGET

MARCH 1, 1988

Mr. Chairman and Members of the Committee:

I am pleased to appear before you today in support of the President's FY 1989 budget for the Department of the Interior.

The measures in this budget reflect the Department's continuing commitment to ensure that the Nation's public lands and natural resources are wisely used and protected for the economic and environmental well-being of the Nation and that essential services to the public are maintained. The Department's 1989 budget is consistent with Presidential and Congressional efforts to reduce the Federal deficit in accordance with the Gramm-Rudman-Hollings Deficit Control Act, as amended by P.L. 100-119, while maintaining the integrity of essential operating programs and the priorities of this Administration. Together with other 1989 requests for domestic discretionary funding by the Administration, the 1989 budget meets the targets set forth in last year's Budget Summit Agreement.

FY 1989 Budget Totals

The 1989 Interior Department budget totals $6.6 billion in budget authority, a decrease of $589 million from the 1988 estimate. Outlays in 1989 are estimated to be $6.8 billion, a $355 million reduction below the 1988 estimate of $7.1 billion.

Total receipts resulting from activities of the Department are estimated to be $6.4 billion in 1989, $1.3 billion above the current estimate for 1988. Of the $6.4 billion in 1989 receipts, $1.8 billion offsets the total budget authority request ($6.6 billion), resulting in net budget authority of $4.8 billion.

The 1989 request for programs under the jurisdiction of this committee is $3.54 billion, a reduction of $313 million from the 1988 estimate of $3.85 billion. However, in order to give you a complete picture of the Department's 1989 budget and program, the following discussion will include references to bureaus and activities not under the jurisdiction of this Committee.

Let me add a technical note about how I will be talking about 1988 appropriations levels. When I speak of 1988 appropriations or 1988 enacted, I am referring to the amounts appropriated in the FY 1988 Interior and Related Agencies Appropriations Act and the FY 1988 Energy and Water Development Appropriations Act. When I speak of 1988 estimates, I am referring to the 1988 appropriations level as adjusted for subsequent transfers. In general, these transfers are to pay back accounts from which funds were transferred in 1987 to pay for emergency fire costs.

Budget Overview

The 1989 budget for the Department of the Interior meets the multiple operating responsibilities of the Department. The budget is predictable in that it is consistent with the priorities of previous budget requests of the Administration. Specifically, the budget emphasizes support for operating programs, such as operations of the National Park Service and the Fish and Wildlife Service, land management responsibilities of the Bureau of Land Management, revenue collection programs (principally of the Minerals Management Service), high priority research activities of the Geological Survey and the Bureau of Mines, water development construction projects, including operation and maintenance of existing projects, of the Bureau of Reclamation, and important activities of the Bureau of Indian Affairs and the Office of Surface Mining Reclamation and Enforcement.

As the result of emphasizing basic operations, funding for lower priority programs is proposed to be decreased. The most significant of these reductions are construction activities of the National Park Service (NPS), Fish and Wildlife Service (FWS), Bureau of Land Management (BLM), and Bureau of Indian Affairs (-$122.1 million); land acquisition activities of NPS. FWS, and BLM (-$103.6 million), and NPS historic preservation grants (-$28.2 million).

As you know, the President indicated in his State of the Union address that there were a number of expenditures that he would eliminate if he had line item veto authority. I urge the committee to avoid adding projects to the President's Budget or language which restricts the Department in efficiently carrying out its responsibilities.

I would now like to discuss some of the important activities in the Department and the budget implications of these activities.

National Park Service Operations

For the past several years, the Department and the Congress have made significant efforts to protect and enhance basic operations. The National Park Service (NPS) has been a primary focus of this effort. The 1989 request includes $733.8 million for all NPS operations. This is an increase of $3 million above the 1988 enacted level, $13 million above the 1988 estimate, and $18.9 million above the 1988 President's Budget. Support for park operations as a percentage of Departmental funding (current accounts only) has grown significantly -- from 8.8 percent in 1980 to 14.8 percent in the 1989 request. Moreover, in constant dollars, Park Service funding for operations has increased by 29 percent since 1980.

In the Budget Reconciliation Act passed in December 1987, the Congress approved permanent authority for NPS to collect and use recreation fees. These fees are collected in one year and then made available for appropriation in the following year to enhance park operations. In 1988, the Service estimates that it will collect $52.2 million. The budget proposes that this amount be appropriated in 1989. The fees, which augment direct appropriations for park operations, represent 8.7 percent of park management funding for NPS in 1989. Revenue from recreation fees is allocated among the parks according to the amount of fees collected (50 percent), the size of the operating budget (40 percent), and need as determined by the Director of the Service (10 percent). In accordance with the provisions of the Reconciliation Act, resource protection and interpretation will benefit the most from additional funds.

Fish and Wildlife Service Operations

As with the Park Service, the Department is emphasizing operations funding for the Fish and Wildlife Service. The 1989 request for Service operations totals $331.9 million. This is a decrease of $10.7 million below the 1988 enacted level and $7.9 million below the 1988 estimate, but an increase of $30.8 million above the 1988 President's Budget. The 1989 request will maintain wildlife refuge and fish operations. Reductions are due primarily to a decrease in the requested level of emergency firefighting, the proposed transfer of certain fish hatchery operations to the Bureau of Indian Affairs and a proposal not to fund several grant programs.

Bureau of Reclamation's New Direction

The Assessment '87 report issued by the Bureau of Reclamation in October 1987 concluded that the original mission of the Bureau has been largely accomplished and the end of the era of construction of large dams and water projects is approaching. The 1989 budget takes steps to implement the assessment report's recommendation that the Bureau's focus should change from water project construction to water resources management and that the Bureau should provide opportunities to participate with non-Federal partners in water development projects with appropriate cost sharing.

The 1989 budget provides $183 million for Reclamation operations and maintenance, an increase of $32 million above the 1988 appropriation for better management of existing projects to assure meeting water and power commitments to consumers. In the General Investigations appropriation, the Bureau's budget includes $12.3 million for planning studies, of which $1.3 million is for 11 new studies that are representative of the new Bureau direction.

To carry out the organizational changes necessary to allow the Bureau more effectively to meet the challenges of resource management, the Bureau undertook a reorganization in 1987 that will result in moving many headquarters functions from Washington, D.C. to Denver, Colorado, consolidating planning functions in Denver, and phasing out the Southwest Regional Office in Amarillo, Texas, and transferring its remaining functions to the Upper Colorado Region and Missouri Basin Region, which will be renamed the Plains Region. Staffing in 1989 will be reduced by more than 500 full-time equivalents, primarily because of the reorganization.

Bureau of Reclamation Construction

The 1989 budget continues the policy initiated in 1988 for the Bureau's construction program. This policy provides projects closest to completion with sufficient funding to remain on efficient engineering schedules. The 1989 request of $698 million for construction places more projects on efficient engineering schedules than the $704 million appropriated in 1988.

Bureau of Indian Affairs

The Department believes that some Indian tribes are ready to assume greater management responsibilities over funds provided by the Bureau of Indian Affairs (BIA). At the special hearing in October, 1987, before your Subcommittee, several tribes expressed interest in the design and implementation of comprehensive tribal budgets for all programs funded by BIA. The 1988 appropriations for the Bureau included $1 million for initial planning along these lines by 10 tribes. In 1989 the Department is proposing appropriation language that will allow these 10 tribes to implement their comprehensive budgets. Based on the results from the initial planning, other tribes may also be able to participate in this program during 1989.

As part of its intensified efforts to prevent and ameliorate social problems on reservations, the Bureau will provide $3.9 million in 1989 to continue the Drug and Alcohol Abuse Prevention program, providing for education programs, judicial and law enforcement training, and a Drug Abuse Coordination Office. BIA will also provide $1.5 million toward protection efforts against child abuse and neglect on reservations.

The Bureau will continue to address unemployment problems on reservations through its Employment Assistance Readiness Net (EARN) demonstration workfare program. An additional $2 million will be provided for this program in 1989 to support six tribal demonstration projects and two Bureau projects. Tribes will design individual work plans for unemployed Indians to include education, vocational training, alcohol and substance abuse counseling, tribal community college opportunities, and other programs.

In support of the Bureau's goal to develop and implement an "effective schools" process for all Bureau-funded schools, the 1989 budget includes increases of $1.5 million for staff training, exemplary schools, upgrading text books, and a gifted and talented program.

Hazardous Materials

The Department proposes to increase efforts to address the problem of hazardous materials on Interior lands. The 1989 budget requests $22.6 million for these efforts, an increase of $13.6 million over 1988. The largest increase is in the Bureau of Land Management, which will substantially increase activities to assess and investigate hazardous waste sites and begin corrective actions when required. A Department-wide effort has been undertaken to coordinate and establish priorities for hazardous materials activities across all Interior agencies.

Employee Housing

The Interior Department currently has 10,600 units of mission-related employee housing, over half of which are estimated to be in need of significant rehabilitation. The Department is investigating private market mechanisms to supply either new or rehabilitated employee housing, particularly mechanisms that would enable employees to own their own homes. Alternative approaches that will be pursued include employee cooperatives, sale or lease of current housing units to employees, private financing of necessary rehabilitation and new construction, and joint ventures with the private sector that would increase the availability of employee housing where it is in short supply. These approaches will yield benefits far more rapidly than Federal financing and avoid the conflicts inherent in the employees' supervisor also being the landlord. If legislation is needed for this initiative, it will be submitted to the Congress. At any rate, we plan to keep you informed of progress on this initiative.

Other Budget Proposals

The 1989 budget includes a number of other significant budget proposals which I would like to summarize.

Land Acquisition and Exchanges: Land Acquisition funds are limited to $17.8 million in the 1989 budget for the National Park Service, Fish and Wildlife Service, and Bureau of Land Management. In addition, $29.4 million in receipts from the Migratory Bird Conservation Fund, a permanent appropriation, will be used for wetlands acquisition. This level of funding represents Administration policy that discretionary land acquisition be postponed due to higher priorities elsewhere in the Department. The $17.8 million is a decrease of $103.6 million compared to 1988 appropriations of $121.4 million.

Land exchanges have been and will continue in 1989 to be considered as an alternative to fee purchase and to preserving priority habitat and park lands. Exchanges will be carried out where the resulting ownership will increase net benefits and where exchange is the most efficient means of acquisition. Since 1980, the National Park Service has participated in approximately 200 exchanges involving 215,000 acres valued at $55 million. Similarly, the Fish and Wildlife Service has participated in about 100 exchanges involving 86,000 acres valued at $21 million.

Non-Reclamation Construction: The Department has invested more than $1.8 billion in construction since 1980, excluding Bureau of Reclamation projects. Given this large investment and the need to meet deficit reduction goals, the 1989 request for non-Reclamation construction programs is $79.4 million, $122.1 million less than the 1988 appropriation level ($201.5 million) for the National Park Service, Fish and Wildlife Service, and Bureau of Indian Affairs. No funds are requested in 1989 for Bureau of Land Management construction.

Arctic National Wildlife Refuge: The 1989 budget for the Fish and Wildlife Service provides $2 million for research in support of oil and gas leasing in the Arctic National Wildlife Refuge (ANWR). Research study areas include water quality and quantity, wildlife, waterfowl and fish protection, and habitat protection. The budget assumes that leasing in ANWR will begin in 1990, subject to Congressional legislative approval. This scenario is based on the Congress enacting ANWR legislation in 1988 and a lease sale occurring within two years. Exploration could begin in 1991 and continue through 1994. If commercial quantities are found, development could start in 1995 and production could begin in 1999. On this basis, the following are projections of receipts included in the 1989 budget:

Year	Bonuses	Rents
1989	--	--
1990	$2.1 billion	$600,000
1991	--	600,000
1992	1.3 billion	1,200,000
1993	--	1,200,000

Revenue projections assume a lease sale in 1990 and a follow-up sale in 1992 before exploration results add significant new information. Because this scenario assumes that production could not commence until 1999, royalties are not included. The projections also assume that the entire area authorized under Section 1002 of the Alaska National Interest Lands Conservation Act is available for leasing.

Hetch Hetchy: I am sure that you know of my keen interest in this subject. The Department has done preliminary explorations of whether or not it is possible to restore Hetch Hetchy Valley in Yosemite National Park. In 1989, the National Park Service is requesting $600 thousand for further studies. Of this amount, $450 thousand will be used by the Bureau of Reclamation to examine engineering options to replace the water and power now provided by the reservoir and $150 thousand will be used by the Park Service to examine restoration of the Valley. A total of $35 thousand has been spent to date on this project.

Firefighting: The Department's 1989 request includes $91.5 million for fire management and emergency fire suppression and pre-suppression costs. Of this amount, $72.1 million is proposed to repay 1988 emergency fire costs for which transfers will be made using the Secretary's transfer authority in section 102 of the Interior and Related Agencies Appropriations Act. In prior years, these transfers have been repaid through supplemental or other appropriations. This year's "up-front" request recognizes the approach that the Congress has been moving toward in recent years and will reduce the necessity for the Department to request large supplementals each year. The amount of the 1989 request, based on an average of several past fire years, is $48.1 million for the Bureau of Land Management, $18.7 million for the Bureau of Indian Affairs, $4.5 million for the National Park Service, and $800 thousand for the Fish and Wildlife Service.

Abandoned Mine Reclamation Fund: The Department's 1989 request for non-matching state reclamation grants is $129.7 million, a decrease of $30 million from the 1988 estimate. The decrease is proposed since a considerable amount of funding previously awarded to the states is unobligated and thus remains available for reclamation projects. When projected carryover from the 1986 program is combined with the proposed level of funding for 1989, states will have access to nearly $364 million during 1989. Even if the states obligate as much ($200 million) or more than estimated for 1988, sufficient funding is available to provide full administrative support and allow the states to continue reclamation contracts already in progress, as well as provide the resources to plan for future land reclamation projects.

Royalty Management: The 1989 budget includes an increase of $4.4 million to extend automated production reporting to all 24,000 onshore Federal and Indian oil and gas leases. This program will identify potential royalty under-payments through the automated comparison of sales reports which are submitted by royalty payors with production reports which are submitted by lease operators. Similar reporting on Outer Continental Shelf leases has resulted in $18.6 million in increased collections in 2.5 years.

Automated Land and Minerals Record System (ALMRS): The ALMRS project constitutes a 10-year effort by the Bureau of Land Management to modernize, protect, and efficiently store and use public land records, such as master title plats, historical indexes, serial register pages, and patent records. Once the system is fully implemented, it will significantly reduce the time involved in processing land and minerals casework, improve service to the public by expanding the usefulness and accessibility of data, and provide greater speed and flexibility in maintaining status records. The 1989 request includes $23 million to continue systems development. During 1989, the general systems design will be completed and contracting for combined hardware/software development will begin. Collection and automation of data will continue, with emphasis on geographic coordinate and land status data.

Bureau of Mines Research: The 1989 budget of $127.3 million for the Bureau of Mines includes a redirection of funds to expand activities in several important areas, including advanced materials ($6 million), mineral waste management ($6.7 million), robotics and automation ($5 million), innovative mining technology ($4 million), mineral land assessments ($7.6 million), and analysis of regulatory issues ($1.7 million). The combination of these enhanced efforts will provide greater knowledge and new technology to minimize health and safety hazards in mines, develop more cost effective environmental controls, and stimulate efficiency, productivity, and competitiveness. However, overall funding for the Bureau of Mines will decrease by $19.8 million because of de-emphasizing lower priority research.

Geological Survey Research: The 1989 budget for the Geological Survey totals $425 million. It includes a $4.5 million increase to continue the transition of map production to an advanced digital cartographic system that takes advantage of innovative computer technologies in cooperation with the Department of Defense and an increase of $3 million to conduct scientific investigations of the Exclusive Economic Zone which includes more than 3 billion acres of submerged lands. Additional verification surveys will be initiated in California, Oregon, Washington, the Gulf of Mexico, Puerto Rico, the American Virgin Islands, and the East Coast. Funds are also included at the 1988 level of $7.2 million to continue seven pilot studies of the National Water Quality Assessment program. The pilot effort will develop and test methodologies to provide a better understanding of the causes of water quality conditions and provide consistent information about water quality for Federal, state, and local managers. Overall, other research of the Survey has a lower priority, resulting in a net decrease of $23 million in 1989.

Receipts for Sport Fish and Wildlife Restoration: For 1989, receipts from taxes authorized for the Sport Fish Restoration program of the Fish and Wildlife Service are estimated to continue to increase sharply to $195 million, an increase of $34 million over the 1988 level of $161 million, and most significantly, an increase of $157 million over the 1985 level of $38 million. For the Service's Wildlife Restoration program, receipts from taxes for 1989 are estimated to be $119 million, an increase of $4 million above the 1988 level of $115 million, and an increase of $33 million above the 1985 level of $86 million.

Sharing of Net Receipts: State shares of onshore mineral leasing revenues (generally 50 percent; Alaska 90 percent) and Western Oregon timber receipts are currently computed on a gross basis, without taking into account the costs of obtaining and distributing these receipts. These administrative costs are now borne entirely by the Federal Government. In keeping with the 1988 Budget Summit Agreement, the 1989 budget does not propose to change this method of distributing receipts; however, the budget assumes that beginning in 1990, Federal costs of managing and administering onshore mineral leasing and Western Oregon forest management will be deducted from total revenues and that receipts will be shared based on the resulting net amount.

Safety of Dams: The 1989 budget continues to emphasize Department-wide priorities that address the most critical needs for improving the safety of dams on Interior lands. The 1989 request includes $85 million for the Bureau of Reclamation, the National Park Service, the Fish and Wildlife Service, and the Bureau of Indian Affairs. This is a reduction of $11 million below the 1988 level, primarily because of the completion of the most costly aspects of work on two Bureau of Reclamation dams (Fontenelle and Jackson Lake) in 1988.

Compact of Free Association Implementation: The 1989 budget reflects continued implementation of the Compact of Free Association. Implementation of the Compact for the Republic of the Marshall Islands and the Federated States of Micronesia (FSM) began during 1987, and Compact implementation for the Republic of Palau is expected during 1988. The 1989 budget includes $34.9 million for continuation of certain mandated Federal programs and services for the Marshall Islands, FSM, and Palau, an increase of $1.3 million above the 1988 estimate. All other Compact funding was permanently appropriated in 1986. In 1989, permanent appropriations for the Compact will decrease as scheduled by $146.9 million, from $291.1 million in 1988 to $144.2 million. Payments in 1988 were considerably higher than proposed for 1989 because of up-front funding of $84 million in investment development funds for the Marshalls, FSM, and Palau, along with certain one-time grant payments for Palau.

Klamath River Basin Restoration: The 1989 budget includes a $1 million increase for the Fish and Wildlife Service for the Klamath River Basin Restoration program for initial program development, studies, and surveys. This 20-year cooperative effort among the Federal Government, the states of California and Oregon, area Indian tribes, and local industry seeks to restore and promote anadromous fish resources of the Klamath River Basin.

El Malpais: In 1987, the Congress established El Malpais National Monument (managed by the National Park Service) and El Malpais Conservation Area (managed by the Bureau of Land Management - BLM). The 1989 request includes $150,000 for Park Service operations and $200,000 for BLM responsibilities at these sites.

Bureau of Land Management Recreation and Cultural Resources: The 1989 request for BLM recognizes the growing importance of recreation and cultural resource activities on public lands. The request of $24.2 million includes support for 20 additional rangers provided in 1988 for the California Desert Conservation Area, as well as providing additional visitor services and resource protection in special recreation areas. Cultural resource management priorities for 1989 include continued surveillance and detection in priority areas, such as the Four Corners area and the Pacific Northwest; support for public awareness and education, such as the Anasazi Heritage Center; and increased physical protection in sensitive areas, especially the Chacoan protection sites and the California Desert, King Range, and San Pedro Conservation Areas.

Management Improvements

The Department has carried out and is actively pursuing a wide range of initiatives aimed at improving the efficiency and effectiveness of its operations, organizations, and services. I would like to summarize some of these.

Financial Integration Review for Management: The budget for the Geological Survey includes $2 million for 1989 to continue implementation of the Financial Integration Review for Management (FIRM) system. This system will provide better accounting data and management information. In 1987, the Survey was designated as the Department's lead agency for the acquisition and implementation of a single administrative accounting payment system for all Interior bureaus. During 1988, the Survey and the Bureau of Reclamation will install and test system modules. Implementation of the new system for these two bureaus is scheduled for October 1988. The following additional bureaus will be brought onto the system in October 1989 and have included funds for this purpose in their budget requests: Bureau of Land Management ($1.3 million), Fish and Wildlife Service ($0.6 million), National Park Service ($1.5 million) and Bureau of Mines ($0.5 million). In addition, the Bureau of Indian Affairs has included $1 million to initiate conversion activities in 1989.

Productivity Enhancement Funding: The Department has initiated a program to finance innovative, low-cost, high-payback projects to improve the efficiency, quality, and timeliness of operations The first request for proposals resulted in more than 140 submissions, 21 of which have been approved. These projects involve employee-developed innovations which will save $11 million over the next three years, for an average up-front investment of less than $40 thousand project. The 1989 budget proposes $500 thousand for a Departmental fund to match bureau investments in new projects. This will double the capacity of this year's program and provide a greater incentive to increase participation.

Reducing Overtime Costs: The Department recently launched an effort to reduce overtime costs that began with a detailed analysis of overtime expenditures totalling about $52 million each year. Of this total, approximately $10 million was for fire suppression, which is an uncontrollable overtime expenditure. Following the analysis, the Department developed overtime goals and increased monitoring of overtime expenditures. As a result, the Department reduced overtime by $4.1 million in the first year of the program, even with a $3 million increase in overtime for fire suppression. Without the fire suppression increase, the Department's reduction would have been more than $7 million.

Better Management of Workers' Compensation Costs: Workers' Compensation costs the Department about $25 million each year. The Department recently initiated efforts to control and reduce these costs. A rehabilitation/rehire program has been pilot-tested and will require a restructuring of jobs to match the available skills of people injured on the job with work they can do in order to provide them meaningful employment. This will return people who want to work to the Department's rolls and is expected to save between $1 and $2 million annually in these costs.

Unemployment Compensation: During 1985, the Department became aware that more effective management of its unemployment compensation process was necessary. After an analysis of the process and the evaluation of the alternatives to improve that management, it was decided to utilize the services of an existing contract awarded by the Department of Agriculture. Utilizing this contract allowed Interior to move quickly and to save contracting costs. The contractor has saved the Department approximately $4 million during calendar years 1986 and 1987. The contract has over a 50 to 1 payback ratio. Moreover, the process has become more efficient since employees and the states know that a contractor is monitoring for inappropriate claims. The contractor provides the service of determining if the unemployment compensation claim is appropriate under the laws of the state in which it is filed, matches billing information with payroll data to ensure that Interior is not paying for someone else's claims, appeals claims for the Department, trains Departmental personnel, and provides management reports.

Funding for Pay Raise and Retirement Costs

Costs of the Janucry 1988 pay raise of 2 percent are $33.1 million in 1988 and $43.7 million in 1989. The 1988 costs will be absorbed within existing appropriations. As needed, reprogramming proposals to this effect will be submitted to the Congressional appropriations committees. Costs of the Federal Employee Retirement System (FERS) authorized by P.L. 99-335 are $43.4 million in 1989. Costs in 1988 were previously estimated at $108.2 million and provided for in the 1988 Continuing Resolution (P.L. 100-202). Currently projected costs for 1988 are now lower than previously estimated. Lower estimates for FERS reflect changes in actuarial, switch rate, and thrift plan assumptions used to calculate agency contributions throughout government. Actual experience indicates, for example, that the switch rate is significantly lower than the previous 40 percent assumption. It is now assumed to be 5 percent.

Receipts

Fiscal year 1989 Interior receipts are expected to total $6.4 billion, an increase of $1.3 billion compared to 1988. This projected increase is due primarily to the release of $0.9 billion in principal and interest from an Outer Continental Shelf (OCS) escrow account in 1989.

The escrow release anticipates a Supreme Court decision in 1989 determining the location of the Federal/state boundary off the coast of Alaska, which will permit the release of the Federal share of the Section 7 escrow funds including interest. No escrow releases are projected for 1990 and beyond, as all escrowed funds from OCS leasing will have been released. Pursuant to the 1988 Continuing Resolution, a 27 percent share of the Section 7 escrow was paid to Alaska on December 31, 1987.

Interior receipts from most other sources are expected to increase from 1988 to 1989. OCS rents and bonuses (from current sales) and royalties are expected to be about $3.5 billion, an increase of $0.3 billion over the current estimate for 1988; onshore mineral leasing receipts will be approximately $1.0 billion or about $50 million more than 1988. All other receipts will be $1.1 billion, or approximately the same as 1988.

OCS bonus estimates are based on the current five-year leasing schedule, with two California sales scheduled for 1989.

I would also now like to discuss some of the highlights of the budget request for each Bureau.

Bureau of Land Management

The Bureau of Land Management (BLM) is responsible for the multiple use management of natural resources on 270 million acres of public lands located primarily in the Western States, including 90 million acres in Alaska. BLM also has the responsibility for mineral leasing and supervision of minerals operations on an additional 300 million acres of Federal mineral estate that underlie other surface ownership.

The 1989 budget estimate for BLM is $729.3 million, a decrease of $45.6 million from the 1988 estimate of $774.9 million (which reflects a net transfer of $73.7 million, primarily to repay funds used in 1987 for emergency firefighting costs) and a decrease of $119.2 million from the enacted 1988 appropriation.

The primary reason for the decrease from 1988 to 1989 is that budget authority for 1987 payments derived from $72.1 million in 1987 receipts, largely timber receipts from Oregon and California Railroad Grant Lands (O&C), was not credited to BLM until 1988, thus overstating the 1988 budget authority for the Miscellaneous Permanent Appropriations account by $72.1 million.

The 1989 estimate for all accounts includes a total of $5.2 million to cover the annualized cost of the January 1988 pay raise and $6.3 million for costs associated with the Federal Employees' Retirement System Act of 1986, P.L. 99-355.

The 1989 BLM program reflects the Secretary's continuing emphasis on the "Take Pride in America" theme. The Bureau will continue to enlist the support of those who use the public lands as well as the direct efforts of volunteers to support resource management programs.

The 1989 BLM budget contains three significant funding initiatives. Funding for hazardous waste programs increases by $6.6 million to $12.4 million. This level of funding will help the BLM to meet its responsibilities under the law and will significantly increase the number of studies of additional potential hazardous waste sites on public lands.

Second, the budget continues the funding for the Automated Land and Minerals Records System (ALMRS), increasing funding by $9.5 million to $23.0 million. The ALMRS project, which will be implemented Bureau-wide beginning in 1993, will reduce the time involved in processing land and minerals casework, improve service to the public by expanding the accessability and usefulness of the data, and protect irreplaceable basic land records. Emphasis in 1989 will be on contracting for development of integrated hardware, software, and user requirements, and on collection of land status and geographic coordinate data.

Third, consistent with requests in the other land managing bureaus in the Department, BLM is requesting up-front funding of $48.1 million to repay the costs of emergency fire suppression and pre-suppression activities in

1988. This approach will continue to use the Secretary's emergency transfer authority under section 102 of each year's appropriation act to transfer funds from no year accounts in order to fund these costs in 1988. The 1989 funding will be used to repay those transfers. This approach is consistent with actions the Congress has taken in recent years to appropriate funds in the regular appropriations bills to repay prior year emergency fire costs. Since it is difficult to predict actual firefighting costs in advance, the request is based on an average of several previous fire years. If additional funds are required, they will be requested.

The 1989 budget request for Management of Lands and Resources (MLR), the Bureau's principal operating account is $464.5 million. This appropriation includes funds for energy and minerals management, lands and realty management, renewable resources management, and their supporting services programs. Most of the net reduction for the MLR account is attributable to a difference in amounts budgeted for emergency firefighting.

Within the MLR account, $75.5 million is requested for energy and minerals management, a net decrease of $5.1 million from the 1988 enacted level. Decreases in several programs are proposed in response to current reduced market demand for commodities such as coal, oil, gas, and geothermal resources. An increase of $1.0 million is proposed for mining law administration to provide increased enforcement of surface management regulations, especially in wilderness study areas, the California Desert Conservation Area, and Alaska.

The request for lands and realty management of $35.8 million is a net decrease of $11.7 million from the 1988 enacted level. The major portion of the decrease, $6.8 million, consists of a shift of the funding for data collection in support of the ALMRS project to the data management activity. This will consolidate all ALMRS-related funding in one place in the Bureau's budget. The remainder of the reductions reflect savings projected in the rights-of-way program due to a decreased number of energy related right-of-way applications, the deferral of lower priority Alaska lands program casework, and significant reductions in the withdrawal review program as a result of the pending suit by the National Wildlife Federation. Additional funding is provided in realty management to deal with unauthorized use of public lands.

The request for renewable resources management totals $122.6 million, a net decrease of $5.2 million from the 1988 enacted level. The wild horse and burro program will decrease by $7.2 million, reflecting an accelerated rate of removal of animals from public lands and reduced maintenance costs due to increased adoption efforts. In addition, the request assumes that Congress will provide BLM with the authority to sell at public auction animals not adopted within 30 days, with receipts retained by the Bureau to offset program costs.

The hazardous materials program increases by $6.6 million to fund activities associated with managing such materials on public lands. The number of land assessments will increase from 40 to 150, preliminary assessments from 34 to 101, site investigations from 8 to 22, and remedial investigations from 1 to 3. Funding also is budgeted for emergency responses, training and technical assistance, and work in the California Desert Conservation Area (CDCA). Also included in the renewable resource area are increases in funding for range monitoring and project planning, and an increase in recreation and wilderness management in the CDCA. Decreases in several areas reflect elimination of low priority projects, inventories, and plans in various renewable resources programs.

The request for planning and data management is an increase of $18 million over the 1988 enacted level, including $6.8 million for ALMRS data collection funding shifted from the lands and realty activity. Another $9.5 million of the increase is for the 1989 costs of continuing to develop ALMRS, as described above. In addition, $2.0 million is requested for BLM's automated data processing modernization project, to redesign and reconfigure the software used to operate the Bureau's administrative and resource operations supporting systems.

The request for cadastral survey is $4.1 million below the 1988 enacted level of $27.9 million, as a result of increased emphasis on the execution of special surveys and a decrease in the number of original surveys to be completed in Alaska.

An appropriation of $57.4 million is requested for operations for the Oregon & California Railroad Grant Lands (O&C), a decrease of $1.0 million from 1988 enacted level. The decrease results from the completion of extensive forest inventories required for the decadal Timber Management Plans for the 1990's.

Also included in the budget are requests of $1.3 million for obtaining access to lands and $8.5 million for range improvement work. The 1989 budget includes $105 million, the same as the 1988 enacted level, for Payments in Lieu of Taxes to local jurisdictions that contain Federal lands.

As noted earlier, the level of the Miscellaneous Permanent Appropriations account in 1988 is significantly overstated in 1988, resulting in a artificial decrease of $72.2 million in 1989. Actual 1987 receipts of $72.1 million were not warranted by the Treasury Department until 1988, thereby understating 1987 budget authority by $72.1 million and overstating 1988 budget authority by the same amount. This had no effect on the actual 1987 payments. The level in the 1989 budget is equal to the estimated 1988 payment level only, so that the effective budget levels in 1988 and 1989 are essentially the same.

BLM estimates it will collect $210 million in receipts from timber sales, sales of lands and vegetation, grazing fees and miscellaneous other sources during 1989. On March 1, 1988, the grazing fee will rise from $1.35 to $1.54 per animal unit month (AUM) as a result of changes in indices of costs of production, cattle prices, and land lease rates. The timing of the final decisions on the grazing fee change was too late to reflect those changes in the receipt and budget estimates contained in the 1989 request. Preliminary estimates are that total grazing fee receipts will be $16.9 million in 1989, an increase of $2.1 million from the 1988 estimate before the change in the fee and an increase of $600 thousand from the revised 1988 estimate of $16.3 million.

Consistent with understandings reached in the development of the Budget Summit Agreement, the 1989 budget does not contain a proposal for sharing of net receipts from O&C lands. However, Bureau out-year planning targets for 1990 and subsequent years assume such a policy.

Minerals Management Service

The Minerals Management Service (MMS) has responsibility for collecting and accounting for royalties and other mineral revenues due from Federal and Indian leases, both onshore and offshore, as well as leasing and supervising the development of mineral resources on the Outer Continental Shelf (OCS). As one of the largest collectors of revenue for the Federal Government, MMS will account for an estimated $5.4 billion in Federal receipts in 1989, including $4.4 billion from OCS bonuses, interest, rentals and royalties and $1.0 billion from onshore mineral leasing.

The 1989 budget estimate for MMS is $610.4 million, an increase of $29.3 million compared to the 1988 estimate of $581.2 million. The 1989 request for annual program operations is $171.3 million, an increase of $2.6 million over the 1988 estimate of $168.7 million. Within the total 1989 request, a program increase of $4.4 million and increased pay ($1.9 million) and other administrative costs such as rents and telecommunications ($2.0 million), are partially offset by program decreases of $3.1 million and a $2.6 million reduction which reflects the revised cost estimate of the Federal Employees Retirement System. Program changes for OCS include reductions of $0.9 million for environmental studies, and $0.7 million for geologic and geophysical (G&G) data acquisition. For the Royalty Management Program, a total program increase of $4.4 million is to automate and centralize production reporting for onshore oil and gas leases. This increase will enhance MMS' ability to increase mineral revenue collections, thus resulting in a net increase of revenue to the Federal Treasury. In the general administration area, a decrease of $0.2 million reflects elimination of one-time telecommunications expenses.

The 1989 estimate for payments to states from mineral leasing revenues is $439.1 million, an increase of $26.7 million over the 1988 estimate. The increase in this permanent appropriation is due to a projected rise in: (1) oil, gas, and coal prices; (2) average coal royalty rates; and (3) oil and gas rents. The estimate for payments to states includes $0.6 million in miscellaneous payments for: (1) interest on late payments to states and Indian accounts when mineral leasing revenues are not distributed as quickly as required by law; (2) interest payments to industry payors who successfully appeal royalty payment orders and are refunded all or part of the principal paid to and held by the Government; and (3) rewards to persons who provide information to the Government that results in the collection of additional mineral revenues owed to the Government. The budget does not propose deduction of the Federal Government's costs of managing and administering mineral leasing programs from payments made to states; however, out-year planning targets for 1990 and subsequent years assume such a policy.

Office of Surface Mining Reclamation and Enforcement

The Office of Surface Mining Reclamation and Enforcement (OSMRE) administers programs for the regulation of coal mining operations to protect the environment and for reclaiming lands damaged by past mining activity under the authority granted in the Surface Mining Control and Reclamation Act of 1977. OSMRE reviews, monitors, and assists state regulatory and reclamation programs to accomplish these objectives and carries out regulatory and reclamation activities in states that do not have their own programs and on Federal and tribal lands.

The 1989 budget estimate for OSMRE is $260.2 million, a decrease of $48.3 million from the 1988 estimate of $308.5 million (which reflects a net transfer of $7 million to OSMRE to repay funds transferred out in 1987 for emergency firefighting costs) and a decrease of $41.3 million from the enacted 1988 appropriation. Most of the decrease is attributable to a reduction of $30 million in the request for Abandoned Mine Land state grants, which is attributable to the availability of carryover funding from prior years sufficient to continue this program at a constant level. The 1989 estimate includes $831 thousand for increased pay costs and $912 thousand for costs of the Federal Employee Retirement System.

The 1989 request for the Regulation and Technology appropriation is $101.1 million, a decrease of $1.1 million from the 1988 estimate. This funding level will allow OSMRE to maintain its mandated responsibilities for oversight of state regulatory programs. Differences from the 1988 enacted level include reductions of $2.0 million for the Applicant Violator System (AVS) and $1.8 million for the Coal Data Management Information System (CDMIS). These are partially offset by increases of $1.8 million for State Regulatory Program Grants and $740 thousand for Federal Regulatory Programs related to an understanding, explained below, that the Department reached with Kentucky.

Phase One of the Applicant Violator System became operational on October 1, 1987. As directed by court order, the AVS will allow OSMRE to (1) search for and take enforcement actions against long standing violators; (2) ensure that these violators and their owners or controllers do not receive new mining permits; and (3) link companies and corporate officials who have control of operators who are violators. By 1989, the AVS should be fully operational with all Federal and State violation data loaded and a complete relatedness database in place. As a result, funding for extensive collection activity and ongoing contractor support can be reduced.

For 1989, a scaling back of OSMRE's developmental efforts related to the Coal Data Management Information System is proposed. The goal of integrating various information systems within the agency remains valid. However, pending completion of a benefit-cost analysis of the CDMIS concept, a restrained funding level of $500 thousand is requested.

During 1987, the National Wildlife Federation and the Kentucky Resources Council filed a lawsuit against the Commonwealth of Kentucky on various issues with respect to the State's regulatory program. In the late spring/early summer of 1987, the Department coordinated the efforts of a management review team to examine Kentucky's regulatory program and to make recommendations for improvement. The findings of the management review team provided a sound framework for OSMRE to assist Kentucky in addressing the issues of the lawsuit, as well as improving the State's ability to execute its responsibilities under the Surface Mining Act in such areas as inspection and enforcement, two-acre restrictions, bond release, and prevention of wildcat mining. In 1988, OSMRE began a one-time plan of assistance with funding provided over a four year time period. Funds will be used to enhance Kentucky's regulatory program in such areas as helicopter services, computer system enhancements, hydrology and acidity studies, bond release training, wildcat mining deterrence, and staffing. As addressed in the memorandum of understanding between the Department and Kentucky, the 1989 budget requests funding of $4.4 million to continue the plan of assistance initiated in 1988.

The 1989 request for the Abandoned Mine Reclamation (AML) Fund is $159.1 million, a decrease of $47.3 million from the 1988 estimate. The request includes $129.7 million for non-matching state reclamation grants, which is a decrease of $30 million from the 1988 enacted level. The decrease is proposed since a considerable amount of funding previously awarded to the states is unobligated and thus remains available for reclamation projects. The 1989 proposed funding level will provide full administrative support for the states and allow them to continue reclamation contracts already in progress, as well as provide the resources to plan for future land reclamation projects.

Consistent with previous requests, the budget reflects a decrease for the Rural Abandoned Mine Program (RAMP) administered by the Soil Conservation Service of the Department of Agriculture. No funding is requested in 1989, which represents a decrease of $15 million from the 1988 enacted level. The request reasserts the Administration's preference to rely on the State reclamation grants program as the primary delivery mechanism for reclamation services. State programs have established capabilities to address various types of reclamation projects, including those carried out under RAMP. Furthermore, States have established priorities and plans for accomplishing reclamation.

The 1989 budget includes an increase of $5.4 million for Reclamation Program Operations to allow OSMRE to adequately address emergency projects resulting from abandoned mines. In 1985, OSMRE issued revised guidelines for the emergency projects program. The guidelines provide a more explicit description of emergency situations and are designed to assure that situations addressed as emergencies meet the criteria set forth in the Surface Mining Act. Federal emergency AML project responsibility is defined as only extending to an abatement of the immediate emergency -- full reclamation of the site is regarded as the State's responsibility. As a result of this policy change, Federal expenditures for emergency projects have declined considerably. Significant unobligated funds existed in 1988 so that reduced new budget authority was required in that year, while still maintaining an adequate program level to address true emergency situations. Thus, while the budget reflects an increase of $5.4 million from the 1988 appropriated level, the proposed funding level of $19.1 million is actually a decrease of $4.6 million from the 1988 program level of $23.7 million. Again, because of the revised emergency guidelines, the proposed level of $19.1 million will allow OSMRE to address adequately Federal emergency project responsibilities.

Bureau of Reclamation

The Bureau of Reclamation plans, develops, and operates water resource projects in the 17 western states of the continental United States. The purpose of these programs is to help stabilize and stimulate local and regional economies by providing irrigation water service, municipal and industrial water supplies, hydroelectric power generation, and outdoor recreation and flood control. Projects also contribute to environmental protection through water quality improvement and fish and wildlife benefits.

The 1989 budget for the Bureau is $1.071 billion, an increase of $14 million compared to the 1988 estimate of $1.057 billion.

The 1989 request for the Construction Program is $698.2 million, a $5.5 million decrease below the 1988 estimate. This request provides for construction funding for 26 multipurpose projects plus a large number of existing projects requiring rehabilitation and betterment, minor construction, and safety of dams work. In accordance with the Department's policy of concentrating financial resources on projects substantially underway, the Bureau is also increasing efforts on some projects that had constrained funding levels in 1988. Major projects budgeted in 1989 include the Central Arizona Project (CAP) at $220.5 million (including work done under the Safety of Dams Act), the Central Utah Project (CUP) at $151.5 million, the Central Valley Project (CVP) at $59.5 million and the Safety of Dams program at $49.0 million. Beginning in 1989, the general engineering and research activity, previously funded under the General Investigations appropriation, is being proposed for funding in the Construction appropriation under the title "Applied Engineering". The Construction Program includes $13.0 million to complete the Federal involvement in the San Joaquin Valley drainage studies related to contaminants found in drainage waters and $13.9 million to continue cleanup activities at Kesterson Reservoir, consistent with the Secretary's voluntary compliance with the California State Water Resources Control Board's order.

The 1989 request for Operations and Maintenance is $183.2 million, a $32.2 million increase above the 1988 estimate of $151.0 million, for activities on 37 Reclamation projects, as well as associated water resources management activities. With this increased funding level, the Department is proposing a multi-year effort to "catch-up" on deferred maintenance, replacement, and capital facilities at Bureau-operated projects. A backlog of maintenance tasks needed to operate Bureau projects in a businesslike manner has developed over the past several years because of constrained funding and the aging of facilities. The $32.2 million increase will initiate a planned multi-year effort to improve the reliability of Bureau projects, thus assuring the revenues earned. This initiative reflects the findings in the Assessment '87 report, which concluded that the Bureau must emphasize efficient management of existing capital resources in order to optimize facility benefits, increase water quality, and protect the environment.

The 1989 request for General Investigations is $12.3 million, which is comparable to the 1988 estimate level of $16.6 million after adjusting for the transfer of the general engineering and research activity to Construction. The proposed funding level will enable the Bureau to conclude in 1989 those studies approved by the Congress in 1988 that were not in the President's request, as well as to undertake 11 new studies. These new studies represent a new direction for the Bureau, consistent with the philosophy announced in the October, 1987, Assessment '87 report and the accompanying Implementation Plan. These 11 studies emphasize nonstructural, management, water efficiency, and conservation solutions to water resource problems in the West.

The request for the Loan Program in 1989 is $19.0 million, a decrease of $13.3 million from the 1988 estimate of $32.3 million. This decrease reflects the scheduled completion of 8 projects in 1988. The proposed funding level will enable the ongoing Loan Program to meet scheduled commitments in 1989 on four loans with no new loans being proposed. The President's Federal Credit Reform proposal would change the budgetary treatment of Federal credit transactions. Included in the Bureau's request is $11.1 million for the estimated amount of subsidy included in loans funded in 1989, $820 thousand for the costs of administering the loan program, and $7.1 million for the asset portion of the 1989 loans. Under the Credit Reform proposal, the asset portion ($7.1 million) would be transferred to Treasury resulting in a net Bureau budget request of $11.9 million.

In 1989, a $7.9 million appropriation for the Bureau's Working Capital Fund is requested to begin acquisition of the needed computer hardware and software to implement Departmental initiatives for maximizing long term administrative systems cost savings through the use of common Department-wide administrative systems; e.g., payroll and administrative accounting, in accordance with the Administration's management improvement initiatives.

The budget request includes $50.3 million, a decrease of $1.4 million from the 1988 estimate of $51.7 million for General Administrative Expenses. The request for the Emergency Fund is $1.0 million, the same as last year. An amount of $282 thousand is required for permanent appropriations. The estimated non-Federal contributions to the Trust Fund appropriation is $67.1 million, reflecting increased cost sharing for planning and construction projects.

The Bureau is in the process of implementing the reorganization plan announced last fall that will reduce the personnel level in the office of the Commissioner in Washington; expand the Bureau's office in Denver, Colorado; and reduce the number of regions from six to five. On this basis, the staffing level requested by the Bureau in 1989 is 7,324 full-time equivalents (FTEs), a reduction of 522 compared to the 1988 level of 7,846 FTEs.

The Departmental Irrigation Drainage Program will be funded at $4.2 million with amounts budgeted by the Bureau of Reclamation, Fish and Wildlife Service, the Bureau of Indian Affairs and Geological Survey. The purpose of this program is to conduct on-site studies to identify, evaluate and address water quality problems related to irrigation drainage.

Geological Survey

The major missions of the Geological Survey (GS) are to undertake research, fact finding, and mapping aimed at enlarging the Nation's knowledge about the extent, distribution, and character of water and other natural resources, and the geologic processes, structure, and hazards that affect the development and use of the Nation's land and physical environment.

The 1989 budget estimate for GS is $425.3 million, a decrease of $23 million compared to the 1988 estimate of $448.4 million. Within the total requested, increased funding is provided for advanced cartographic systems, investigations of the Exclusive Economic Zone and General Administration to fund the Department-wide administrative accounting/payment system. In addition, other high priority programs are maintained at current funding levels. The 1989 estimate includes $5.7 million for increased 1988 pay costs, $2.7 million for increased building rental costs and $1 million for other increases in administrative expenses.

The 1989 request for the national mapping program is $90 million. Increased funds of $4.5 million are requested to continue the transition of map production to an advanced digital cartographic system that takes advantage of innovative computer technologies in cooperation with the Department of Defense. Primary mapping and revision, land-use and land-cover mapping, and cartographic and geographic information programs are maintained at 1988 funding levels. Support is continued at reduced levels in digital cartography, geographic information system research and applications, image mapping, and earth resources observation systems programs. No funding is proposed for the side-looking airborne radar program because the technology has been demonstrated and applications data can be readily acquired from the private sector.

The 1989 request for geologic research and investigations is $167.8 million. This request includes increased funding of $3 million in offshore geologic surveys to conduct investigations of the Exclusive Economic Zone (EEZ). Additional verification surveys will begin following completion of GLORIA sonar surveys in California, Oregon, Washington, the Gulf of Mexico, Puerto Rico, American Virgin Islands, and the east coast. Funds for landslide hazards, deep continental studies, geomagnetism, climate change, strategic and critical minerals, assessment techniques, sedimentary basins, oil shale investigations, and world energy resource assessment programs are maintained at 1988 levels. Reduced levels of funding are proposed for research related to geologic hazards, geologic mapping, mineral resources, and energy resources. No funds are requested to continue investigations of coastal erosion processes in 1989.

The 1989 request includes $133.3 million for research and investigations to appraise the Nation's water resources and to provide water data necessary to develop and manage these resources. The National Water Quality Assessment (NAWQA) Program is funded at $7.2 million to carry out all of the seven pilot studies initiated in 1986. Funds are included to continue both the Federal and Federal/State cooperatively funded data collection and analysis programs;

national water data and information access; regional aquifer analyses; core program hydrologic research; nuclear waste hydrology; coal hydrology; as well as the State Water Resources Research Institutes and Research Grants programs at reduced levels compared to 1988 appropriations.

The 1989 request for General Administration is $16.4 million, including $2 million to continue funding for the Department's financial integration review for management (FIRM) system. The Geological Survey is the Department's lead agency for the acquisition and implementation of this consolidated administrative accounting/payment system for all of the Interior bureaus.

Bureau of Mines

The Bureau of Mines provides information and conducts research to ensure that the United States has an adequate and dependable supply of minerals to meet its defense, economic, social and environmental goals. The Bureau collects, evaluates and publishes worldwide minerals data on all phases of mineral resource development and analyzes the effects of public policies and regulations on mineral supply and demand. The Bureau conducts research to remove barriers to innovation and competitiveness and to improve technologies used for the extraction, processing and recycling of the Nation's mineral resources.

The 1989 budget estimate for the Bureau is $127.3 million, a decrease of $19.8 million compared to the 1988 estimate of $147.1 million. The budget estimate includes an increase of $2.2 million for adjustments in administrative costs. Program funding for 1989 includes $33.5 million for information and analysis activities and $70.3 million for research. No funding is requested for the Mineral Institutes. A one-time request of $3 million is included for clean-up of a radioactive waste site in Denver, Colorado, and $400 thousand is included as partial payment for the purchase of the Spokane Research Center.

The Bureau of Mines, much like the U.S. minerals industry, is responding to global market changes by restructuring its budget and organization to streamline operations, to address the emergence of new materials and technologies, and to examine the potential impacts of new environmental regulations on mining. Increased funding, as well as the redirection of existing resources, in the 1989 budget will enable the Bureau to emphasize its activities in several important areas including $6 million for advanced materials $6.7 million for minerals waste management and recovery, $5 million for research in robotics and automation, $4 million for innovative mining technology, $7.6 million for mineral land assessments, and $1.7 million for analysis of regulatory issues. The combination of these enhanced activities will provide new knowledge and technology to minimize health and safety hazards in mines, to develop cost-effective environmental controls and to stimulate efficiency. Funding decreases amounting to $26 million result from the decision to forego lower priority research projects and mineral institutes funding in order to capitalize on the initiatives outlined above.

The 1989 budget assumes the sale of the Bureau's helium refining and distribution facilities to the private sector. The Bureau has received a draft study which addresses options for such a sale and is evaluating the document. Upon completion of the final study, the Secretary will review alternatives with respect to the future disposition of these helium operations. The Bureau will continue to conduct its helium resource assessment activities under the information and analysis activity and will retain the Federal government's crude helium inventory to assure its ability to meet future helium needs.

National Park Service

The National Park System contains 341 areas which cover 79.8 million acres of land in 49 states, the District of Columbia, Puerto Rico, the Virgin Islands, Guam and the Northern Mariana Islands. Included in the System are three new areas added in the last year: Jimmy Carter National Historic Site, El Malpais National Monument, and the Timucuan Ecological Preserve. The National Park Service (NPS) has the dual responsibility of protecting the natural and cultural resources of these areas and providing for their use and enjoyment by the public. The Service also conducts programs that promote and assist outdoor recreation planning, preservation of cultural and natural resources, and environmental compliance and review along with other Federal agencies, state and local governments, and private organizations.

The 1989 budget estimate for the NPS is $794.3 million, a decrease of $207.7 million from the 1988 estimate of $1.002 billion (which reflects a net transfer of $47.5 million to repay funds used in 1987 for emergency firefighting costs) and a decrease of $160.2 million from the enacted 1988 appropriation. The 1989 request preserves funding for park operations while significantly decreasing funding for construction and land acquisition and providing no funding for the Historic Preservation Fund. These priorities are consistent with past years' priorities of the Administration.

The 1989 estimate includes $10.3 million for increased pay costs and $7.5 million for the costs of the new Federal Employee Retirement System.

At the $733.8 million level for Operation of the National Park System (ONPS), the principal operating account, the 1989 budget request represents an increase of $13 million over the 1988 estimate of $720.8 million (which reflects the net transfer of $10 million to repay funds used in 1987 for emergency firefighting costs) and an increase of $3 million from the enacted 1988 appropriation. Of the ONPS total, $681.6 million is proposed to be appropriated from the General Fund of the Treasury. The balance ($52.2 million) will be derived from fee revenues collected during 1988 and deposited in a special account in the Treasury in accordance with permanent fee legislation included in the Budget Reconciliation Act of 1987, P.L. 100-203. Under the fee legislation, appropriations from the special fund will be distributed as follows: 40 percent based on each park unit's proportion of the total budgeted in the prior fiscal year for park operating expenses; 50 percent based on each unit's proportion of the total fee revenues collected during the prior fiscal year; and 10 percent determined by the Director under this program.

The 1989 estimate for ONPS also includes: $600 thousand to explore in more detail the costs and benefits of restoring the 1,970 acres of Hetch Hetchy Valley presently impounded by Hetch Hetchy Reservoir to their natural grandeur as part of Yosemite National Park; approximately $4.3 million in order to correct a disparity between the Park Police and other local civilian police departments in wages and benefits and to maintain the pool of exceptionally qualified recruits; $3.5 million to improve the safety of dams which are in danger of failing; $200 thousand for initial operations at the Jimmy Carter National Historic Site, and $150 thousand for operations at El Malpais National Monument.

The 1989 request for National Recreation and Preservation is $10.2 million, $2.7 million less than the 1988 estimate. The Service is proposing to reduce the amount of Federal involvement in public recreation programs that are carried out at the state and local level as part of the overall effort to help reduce the Federal deficit. Accordingly, technical assistance to states and local governments for recreation programs would be reduced.

The proposed budget for construction is $15 million, and will be limited to the accomplishment of four health and safety projects.

A total of $15.8 million is requested for land acquisition. In addition to funding for land acquisition in cases of emergencies, hardships, and deficiencies, the requested amount for acquisition provides funds for administrative expenses for the Federal program and for State grants awarded in previous fiscal years. No funds are requested for grants-in-aid to States.

Consistent with prior year budgets, no budget authority is requested for grants from the Historic Preservation Fund, a decrease of $28.3 million from the 1988 estimate. Historic Preservation Fund grants to states are not vital to ensure that preservation activities continue. Federal support over the past decade has facilitated the establishment of a network of effectively functioning state preservation offices which can continue to operate without Federal assistance. The encouragement of private sector involvement in historic preservation through enhancement of economic and tax incentives has been highly successful.

The 1989 request eliminates direct Federal support for the Illinois and Michigan Canal National Heritage Corridor. The Commission was funded at $250 thousand in 1988.

The Service will receive $60 million to repair park roads as part of the Federal Lands Highway Program, and $31 million to liquidate contract authority to help relocate U.S. Route 25E which runs through Cumberland Gap NHP.

Territorial and International Affairs

The Assistant Secretary for Territorial and International Affairs carries out the responsibilities of the Secretary related to the U.S. territories of American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the Virgin Islands, as well as the freely associated states of the Republic of the Marshall Islands (RMI), the Federated States of Micronesia (FSM), and the Republic of Palau. Palau is currently administered under a United Nation's trusteeship agreement, but the budget assumes that a Compact of Free Association with Palau will be implemented in 1988.

The objectives of the Office of Territorial and International Affairs are to promote the political, economic and social development of the territories and direct each toward greater self-government and self-reliance. In the case of the freely associated states, the objectives are to coordinate and monitor continuing Federal programs and services, and to provide financial and technical assistance pursuant to the Compacts of Free Association (P.L. 99-239 and 99-658) which enacted the Compact agreements.

The proposed 1989 budget for Territorial and International Affairs is $323.4 million, a decrease of $191.5 million compared with the 1988 estimate of $514.9 million. Most of the decrease reflects a scheduled compact funding decrease of $146.9 million for the RMI, the FSM and Palau, and a $39.2 million decrease that reflects the close-out of the Trust Territory government.

The 1989 request for administration of the U.S. territories is $71.5 million, a decrease of $6.8 million from the 1988 estimate. The budget total reflects a policy of encouraging increased private sector participation in territorial economic development, while enhancing government efficiency and encouraging economic diversification of the islands.

The request includes $20.8 million for an operations grant to American Samoa to provide funding at the 1988 appropriated level. A total of $3.8 million is requested for construction projects in Guam, American Samoa, and the Virgin Islands, a decrease of $6.6 million. The 1989 construction program includes $1.7 million for completing the expansion of the Ordot landfill on Guam, $1.0 million for water system improvements in American Samoa, and $1.1 million for water system improvements in the Virgin Islands. Technical assistance funding is proposed at $2.2 million, and loan assistance for the Guam Power Authority will decrease by a scheduled $400 thousand to $1.5 million. Covenant grants for Northern Mariana Islands operations and capital development is proposed at $40.2 million, an increase of $5.8 million which is consistent with the schedule of payments included in the Special Representatives Agreement as enacted in P.L. 99-396.

An estimated $70 million will be provided to Guam and the Virgin Islands for anticipated Federal collections of income and excise taxes, respectively. This payment is included in a permanent appropriation and is the same as the estimated 1988 funding level.

Approximately $2.8 million is requested for 1989 to fund certain outstanding liabilities of the Trust Territory of the Pacific Islands appropriation, a decrease of $39.2 million from the 1988 appropriation. This decrease reflects the 1988 funding of certain remaining commitments of the Trust Territory Government, such as portions of Micronesian War Claims payments and the accumulated government deficit. The decrease is also predicated on the assumption that the Compact of Free Association for Palau will be implemented in 1988, and, therefore, funding for Palau is no longer included in this account. The $2.8 million requested for 1989 will resolve all negotiated claims for 272 parcels of land in the former Trust Territory used for public purposes pursuant to indefinite land use agreements between the Trust Territory Government and the landowners.

For the portion of the Compact of Free Association funding account subject to annual appropriation, the budget request is $34.9 million. This funding will provide for the continuation of certain mandated Federal programs and services for the Republic of the Marshall Islands (RMI), the Federated States of Micronesia (FSM), and the Republic of Palau. Funding for most of the direct payments to these governments over the fifteen-year life of the Compact is backed by the full faith and credit of the United States and thus is permanently appropriated. The Compact for the RMI and the FSM came into effect and initial payments were made in 1987. The Compact for the Republic of Palau is expected to be implemented in 1988. Permanently appropriated funds for direct financial assistance under the Compact will total $144.2 million in 1989, a scheduled decrease of $146.9 million from the $291.1 million provided in 1988. The 1988 payments are considerably higher because of up-front funding of $84 million in investment development funds for the FSM, Marshalls, and Palau, along with one-time payments for Palau's capital account, U.S. military use and operating rights in Palau, and construction of a road system in Palau as required by Section 212(a) of the Palau Compact (P.L. 99-658).

Secretarial Offices

The budget request for Secretarial offices total $97.6 million. This is an increase of $7.4 million over the 1988 appropriation and the current 1988 estimate for these offices.

The 1989 estimate includes an additional $867 thousand for increased pay costs. Within the $97.6 million total, the Office of the Secretary, which provides executive direction and management for the Department, is funded at $53.5 million; the Office of the Solicitor, which provides legal services for all components of the Department, at $25.3 million; and the Office of the Inspector General at $18.8 million.

The CHAIRMAN. Thank you very much, Mr. Secretary.

With respect to that legislation, it has in there a provision to prevent the land exchanges. We also reported that as a separate bill.

I think it is worthwhile, nevertheless, to hear you say that you are still committed to know land exchanges without Congressional authority; is that correct?

Secretary HODEL. That is correct.

The CHAIRMAN. Would it be fair to say, therefore, that you would have no objection to putting that into the law?

Secretary HODEL. That there would be no land exchanges without Congressional approval?

The CHAIRMAN. Yes.

Secretary HODEL I would have no objection to that being in law.

The CHAIRMAN. I appreciate that.

I know the ANWR bill is not precisely what you wanted, but can you live with that bill?

Secretary Hodel. Senator——

Senator FORD. Hesitation speaks a thousand words.

Secretary HODEL I think at this point the Administration has taken a position all along, as you well know, that we would like a fairly straightforward leasing approval bill. Clearly, that would be our preference.

We have always recognized that there will come a time if legislation is adopted by the Congress when we will have to face up to whether it is legislation that we can live with or not.

I have really not gotten into the process of deciding where that line has to be drawn at this stage for the reason that I am assuming that if this bill moves further, there will be additional changes to it and revisions.

Obviously, anything that moves it away from the prospect of the land being appropriately explored would make it more difficult to support; but I have not really come to grips with whether—if it would pass the Congress tomorrow—we would be ecstatic.

The CHAIRMAN. We were rather stingy with the national parks and wildlife refuges, but maybe as the bill moves on we can add a little to that.

Mr. Secretary, we had a staff trip out to Yellowstone a few weeks ago. Are you up to speed with what is going on there with winter operations?

Secretary HODEL. I hesitate to say I am up to speed. I know what I think is going on, but perhaps you have something particular in mind.

The CHAIRMAN. The problem at Yellowstone is that they initially had a skeleton crew there to keep maintenance going. Over the years, Yellowstone has been discovered in the wintertime, and it has been very much discovered now. It is a beautiful park in the winter, perhaps, I think, more beautiful in the winter than in summer. More and more people are beginning to figure that out.

In the meantime, you have Park Service people who are living in summer homes which are not insulated and really inadequate for the wintertime. I think they are in need of some budgetary attention.

Do you know what you have in this budget for that? Is there anything specific for that?

Secretary Hodel. We proposed in our budget, when we were preparing it, $20 million for employee housing.

The Chairman. That is in the whole National Park Service?

Secretary Hodel. Yes. In the course of putting the budget together, that fell by the wayside, and we have proceeded with an alternative approach, which is to try to find some mechanism for involving the private sector.

Ideally, what we would visualize is either someone coming in and building housing and providing it to our employees—in which case we would have some financial connection possibly; or ideally, of course, it would be self-sustaining—or some kind of cooperative partnership with the private sector or some such arrangement.

One of the advantages of that, by the way, would be that the superintendents would no longer be employees' landlords. I think we can all sympathize with the situation where, if you work for somebody and he is also your landlord, it is a special problem. If you go home at night and the roof leaks and you want to complain to your landlord, it is more difficult, perhaps, if he is your supervisor.

So we think there would be benefits from that; but our proposal is that we try to deal with some 10,600 units of employee housing in the Department, including the National Park Service, by a private sector initiative.

The Chairman. That is a lot more than I thought was going on when I asked the question just about Yellowstone. That is a very big initiative. Have there been hearings on that?

Secretary Hodel. No, I do not believe so.

If I may go a step further, we also think that if we can identify some pilot projects quickly enough, we can move much more quickly in that arena than if we had put $20 million in this budget and it were approved by the fall of 1988 for the 1989 Fiscal Year. Our first opportunity to start expending that money actually for winter housing areas would probably not be until the summer of 1989, so we are looking at at least two years away.

Now, that is ideally. I say that because I have not seen the proof of it yet. Ideally, if we can work out some arrangements, the private sector presumably could move more quickly with a proposal.

The Chairman. With respect to Yellowstone, I wish you would have somebody take a look at that. Their needs, I know, would exceed what you could do in your budget for one year, but I think there ought to be some attention to at least getting started with that, because we went through all the housing and, really, it is substandard for the wintertime.

If you could give us a letter on that, we would appreciate it, showing at least a start to addressing that problem.

Secretary Hodel. I may say that there is a report on housing which is to be coming to the Congress about mid-March over all, and we will highlight and respond specifically to you on Yellowstone as well.

The Chairman. Thank you very much.

Senator McClure.

Senator McClure. Thank you very much, Mr. Chairman. There are a number of questions which I will submit for response in writing, and I will not take very long at this time.

I was trying to find in your statement the identification of the way you treat the BLM budget with respect to grasshopper control. Someone told me earlier that the prior appropriations we had made would not be continued in this budget. Is that correct?

Mr. Itteilag. Senator, we have some money that was appropriated in Fiscal Year 1987 that we have not used, and it is still available. I think it is about $5 million.

My recollection is we have not asked for any more new money in the Fiscal Year 1989 budget for that purpose on the theory that the money we have will be sufficient.

Senator McClure. So you believe it will be sufficient rather than a return to the old system of waiting until the costs are incurred and then asking for supplemental funds?

Mr. Itteilag. Yes, that is right.

Senator McClure. So it is on the judgment that it is sufficient, not because you are changing bats?

Mr. Itteilag. We are not changing the basis. However, Senator, you may recall that for this purpose we also have emergency transfer authority in section 102 of our Appropriations Act. So we have that ability as well if we get into a tight spot.

Senator McClure. The reason I asked the question was primarily because as I read your statement, Mr. Secretary, you do cite that, with approval, we have tried to provide an advance appropriations for fire suppression costs rather than waiting to see what the exact bill is and then asking for a supplemental.

I think I am correct in paraphrasing your statement in that regard, am I not?

Secretary Hodel. Yes.

Senator McClure. You are trying to get away from coming back and asking for supplementals, even though the difficulty of estimation is always there?

Secretary Hodel. Yes, and my understanding is that under the Budget Summit Agreement we do not contemplate coming back for supplementals. My understanding was that was not a contemplated activity, so that it is important this year that we appropriate that fire suppression money.

We still have the emergency authority that Mr. Itteilag referred to in the event it turns out that we have more grasshopper control expense than we anticipate.

Senator McClure. My concern arose because of the language. If you would turn to page 102 of the BLM justification. Do you have that with you?

Mr. Itteilag. We do.

Senator McClure. On page 102, the latter part of the explanatory note that just precedes the tabulation, the last sentence says, "If severe outbreaks of infestations would occur, the provisions of the Food Security Act would be implemented and supplemental funding would be requested to replenish funds borrowed from other accounts".

It was that sentence that concerned me as to whether or not, as a matter of policy, we are getting back to depending upon supplementals.

Secretary HODEL. That is not the policy approach; but again, we have the problem of not knowing the extent to which money will be required and having, as I think Mr. Itteilag indicated, approximately $5 million available. We think that may well be adequate.

To ask for additional money and draw it from some other operating account within the Department did not seem wise since we already have the capability to respond to an emergency situation. With the kind of weather we have been having in the West, particularly in the State of Idaho, it is possible we could have a worse problem for the lack of a cold winter.

Senator MCCLURE. Mr. Secretary, I understand what you are doing. I am just concerned that we do not fall back into the pattern that we had once before of depending upon supplementals rather than upon prior appropriations.

I recognize, certainly, that we cannot always estimate exactly what will be needed, nor is it necessarily wise that we appropriate to the level of the worst possible occasion and have a lot of unused funds carried year after year after year.

That is the reason for my question. I want to make certain that, indeed, we are not abandoning what we have constructed over the last several years in that program where, in my opinion, it is working.

We finally have preplanning and preparedness written into the operations of the agencies, and that is making this program work much more effectively. One of the reasons the costs are down is because of that preplanning. When you can do strip spraying and control infestations, you do not have to do the tens of thousands of acres of spraying that is necessary if you wait until after the infestation is widespread.

So costs have reduced, and I commend you for that. I think it is a very effective program, and I do not want to see us lose that effectiveness.

Secretary HODEL. Senator, I think we should take to heart your comments in the preparation of the 1990 budget so that we manifest that the policy has not changed and that we are trying to stay ahead of the power curve. We will try to do that in the preparation of that budget.

Senator MCCLURE. Thank you very much.

Let me ask one question with respect to trust territories management. How are we coming in that age old intramural fight within the administration? Who is in charge?

Secretary HODEL. Senator, I think it is fair to say that the battle goes on.

It is apparent from the briefings I have had that the State Department has a strong belief that it has a very special role to play in the territories, and nothing less than continued insistence on the part of the Department of the Interior that it carry out its role will be required if we are to carry out our role.

Senator MCCLURE. Do you know the position of this committee over the years in support of the role that the Department of the Interior is playing and we believe should play?

Secretary HODEL. Yes, I do.

Senator MCCLURE. You have vacancies in the Department, personnel shortages occasioned by shifts and resignations and departures.

Are you moving to take care of that? Does that affect your ability to continue the role that has been outlined for you in the administration?

Secretary HODEL. The answer to both questions is yes. We are seeking to fill these positions as rapidly as we can, but, unfortunately, as rapidly as we can is not a very rapid pace, as it turns out, in any of these positions.

Secondly, it does affect our ability, and that is one of the reasons I feel strongly that we need to fill positions to the best of our ability.

Our difficulty is that when you have a person in an acting position, they are automatically somewhat abbreviated in what they are able to accomplish. Everyone with whom we deal both internally and externally knows that they are in an acting capacity, and they figure, well, it is an interim sort of thing so it is just harder to be effective.

Senator MCCLURE. Mr. Secretary, I want to encourage you and others within the administration to resolve those vacancies as quickly as possible because what you say is exactly correct. In the continuing struggle between State and Interior, between the administration and this committee, we need to have those positions filled.

I know you are sensitive to that, and I am not really speaking to you so much as speaking so others will hear, perhaps.

I am afraid there may be some foot dragging, not on your part, but on the part of others, simply to affect that balance in ways which they find favorable, and I regret to say that. Certainly that is no fault on your part; but I do find some reason to have some skepticism about the actions of others.

Thank you very much, Mr. Chairman. I will have some other questions to submit for the record.

The CHAIRMAN. Senator Ford.

Senator FORD. Thank you, Mr. Chairman. This committee has good diversification as it relates to regions and interest on this committee. I suspect we will all get into individual concerns, and most of them will be parochial. I want to start off in that vein, if I may.

Mr. Secretary, I am alarmed by some of the information that I have recently received relating to the allocation of abandoned mine land reclamation grants to the states under the surface mining program.

I understand that pursuant to the newly-updated inventory, and I underscore "newly-updated inventory", there will be major shifts in the amounts of funds that will be allocated to the various states.

For example, my state will suffer almost a 23 percent reduction in grants during Fiscal Year 1988. In dollar terms, Mr. Secretary, that means we will lose some $5 million. Ohio will suffer a 34 percent decrease; Virginia, a 26 percent increase; North Dakota, a 43 percent decrease; and at the same time West Virginia will increase by over 84 percent, which means about $13 million to that state.

How can these abrupt changes be justified in funding?

Secretary **Hodel**. Senator, I think we are concerned about the same thing, and we have agreed with the States that we will ask for the inventory to remain open and be further updated.

Apparently what happened, as I understand it, in asking for the updated inventory, some States did a more detailed analysis than did some others; and it resulted in a significant shift.

West Virginia identified many more sites than had previously been the case, and it resulted in a skewing of what had previously been the allocation formula.

The net result is that other states have said to us, wait a minute, we want to come back and apply the same kind of tests that West Virginia did. We have agreed to keep that process open.

Senator **Ford**. You are going to reopen it? I thought it had been closed.

Secretary **Hodel**. I do not know whether it is going to remain open or reopen, but my understanding is we are cognizant of the problem. I guess the right phrase would be to reopen that inventory.

Senator **Ford**. We are advised less than 30 days ago that this would be the permanent allocation. Now, is that being revised?

Secretary **Hodel**. I believe that is being revised. Well, let me put it this way—

Senator **Ford**. He is going to whisper in your ear, there.

[Pause.]

Secretary **Hodel**. What I said is correct, that it will be opened and a revision will take place to the extent that there is a revised, updated list submitted by States.

The bad news about that is that as presently contemplated, the Office of Surface Mining would make its 1988 distributions in accordance with that inventory.

Senator **Ford**. Mr. Secretary, are you sure that OSM is applying consistent criteria?

Secretary **Hodel**. No.

Senator **Ford**. You are not?

Secretary **Hodel**. I am not.

Senator **Ford**. Why not put your foot on their neck and let some of us breathe a little bit?

Over one-third of the sites that the commonwealth has submitted for inclusion in the inventory has been rejected. Can you understand why? Can you give me a reason why? Is there anybody here that can give me a reason why?

Secretary **Hodel**. I do not believe we have someone from OSM with us, Senator.

Senator **Ford**. So there is good news and bad news, and the good news is bad, because you say you are going to reopen but you are going to continue to allocate the funds on this year's estimate or inventory?

Secretary **Hodel**. That is correct. I think that I should say that we will press the question that you have raised here about the consistency of criteria. I have not personally been involved in this matter, and I am not that familiar with it.

Senator FORD. But you are involved enough to say that you are not pleased with the consistency of the criteria that is evenly handed in its structuring or approval of the sites.

Secretary HODEL. What I am saying is that I will go back and find out about the answer to your question whether consistent criteria was applied to the submissions.

Senator FORD. My state is losing $5 million, Mr. Secretary, and I do not like it a bit.

Secretary HODEL. I understand that.

Senator FORD. I notice that the funding included in the Fiscal Year 1988 appropriation for coal availability studies in our state has been discontinued, too.

Do you have something against us?

We would beat Syracuse Sunday if that will help us any.

Secretary HODEL. No, Senator, it is not that. In the submission of this budget we have generally in many cases not proposed to fund those things that were Congressional add-ons, which is consistent with the way we have approached the budget in the past.

Senator FORD. How does the administration tend to make educated decisions regarding policies such as acid rain without accurate information regarding the quality and availability of coal resources?

Secretary HODEL. Senator, there is a whole host of monies being expended by this Administration on matters relating to acid rain.

Senator FORD. What is the status of the coal availability study?

Mr. ITTEILAG. Senator, we have $1 million that was provided by the Congress in Fiscal Year 1988, and we are only now getting underway using that money; that is, the Geological Survey is.

Senator FORD. What studies will be eliminated if this funding is terminated?

Mr. ITTEILAG. My sense is that Geological Survey believes that they can accomplish all that needs to be accomplished with the $1 million that was provided. We will have $250,000 available in Fiscal Year 1989 to continue the residual of whatever else needs to be done.

Senator FORD. Your budget report said you are going to have to delay two of the studies, and then you have also said you are using money for other high priority research, and that will be continued with the funding available from the curtailing of this program.

Can you tell me what the other high priority research might be?

Mr. ITTEILAG. Senator, I do not believe that that is the correct interpretation. The Geological Survey budget in Fiscal Year 1989 is about $22 million less overall than the Fiscal Year 1988 appropriation. With $22 million less, there are going to be some things that are not going to be continued, and this is one of them. It is not a matter of shifting the money to other areas.

Senator FORD. You know, you have a hard job, and I appreciate your position. You are taking the heat. But that is not an interpretation on my part. It is a statement from your budget proposal.

If you take that statement, you do not have to lend much interpretation to it, in my opinion.

I just want to end this question period on a high note from me. I do thank you for the money for the tunnel. It will be great, and I want you to know that we appreciate your interest and your help in that. So all is not unfavorable from this side of the counter.

Secretary HODEL. Thank you, Senator.

Senator FORD [presiding]. Senator Domenici.

Senator DOMENICI. Thank you very much, Mr. Chairman.

Mr. Secretary, I may have to submit a number of questions about details in my state because of time, but even though it has already been done let me personally tell you that we in Mexico appreciate the fact that this year for the first time in a number of years you have not recommended that we should take from our mineral royalties share the cost of administering a program to the Federal Government.

Rather, you are going to distribute on a net basis. I hope you understand that is a terribly important source of revenue to our state.

I might just tell you, while it sounds very logical that you want to charge us for the cost, I can assure you that most governors assume that they could administer that program for far less than the Federal Government's cost.

It is for that reason, as logical as it may seem, they really do make a case to us that the costs are a very, very large portion of the net. So we appreciate the fact that you have abandoned the position of removing the Federal cost before you distribute. It is very helpful to our state.

I am sure you know that our governor has indicated very strongly that he would rather take over the administration of the program and pay the cost himself than take the prior formula. So I appreciate that, but I want you to know that.

Secretary HODEL. Senator, I thank you for those remarks. Let me say it is a real relief for me to be before this committee and not have to be defending that proposal.

Although it makes intuitive good sense, the inherent problem that we have always recognized is that if we make it a net-revenues proposal, there is no restraint in the system at all on the costs of collection and management.

We discussed this with you and other members of this panel on a number of occasions in the past. I am acutely aware of that.

Senator DOMENICI. We understand that. We just do not think we ought to be penalized for the lack of an incentive to cut the costs of administering. It is our problem, not theirs.

Secretary HODEL. I would welcome the opportunity to explore the possibilities for improvements in efficiencies by working more closely with the States.

As you know, we have done that in some audit programs, and we think that has been productive. They have an incentive for less costs because the net revenues that then come to them are more significant.

Senator DOMENICI. May I move quickly now to a BLM issue, hazardous materials. This is one area where I assume you have an increase of $2.5 million or this will be increased $6.3 million for hazardous waste control. I compliment you for that because I think there are some very serious problems out there.

I am assuming from your budget submissions that a portion of that increase is attributable to two serious problems in New Mexico, Lee Acres and Flora Vista Sites. We have had some very serious hazardous pollution situations that are only temporarily under control.

Is it correct that you intend to permanently rectify that situation and that is part of your increase?

Secretary HODEL. Lee Acres has been given to me, Senator, as an example of one of the places that we are going to be dealing with as a result of this funding.

The other site you named was Flora Vista?

Senator DOMENICI. Flora Vista.

Mr. ITTEILAG. There is some money in the budget for that purpose as well, Senator.

Senator DOMENICI. Then I understand there is a State of Washington site with a similar situation. Obviously I am not familiar with it, but I understand those are three new ones that are serious, and I thank you for that.

Now, with reference to Animus LaPlata, we have gone round and round with you on that issue, and I want to suggest again you have only recommended $1.9 million for this project. That is less money than last year, and it is to be used for a continuation of preconstruction activity.

Frankly, Mr. Secretary, I have questioned whether the administration really supports Animus LaPlata. In the past, you have assured us you do. I once again wonder where the support is when we have less funding this year than last.

But you might answer that in your response to my more specific question. Do you support the amending legislation that is working [illegible] way through here for the implementation of the Indian water rights and the other issues that are to be re[illegible]

Secretary HODEL. Senator, let me verify [illegible] legislation it is. What I have been saying when asked about Animus LaPlata is that we have not asked for additional monies until we have legislation.

Now, the legislation you specifically referred to——

Senator DOMENICI. The cost sharing legislation and the agreement with reference to Indian water rights and the settlement of them are currently before Congress.

Secretary HODEL. We have testified in favor of S. 1415, which is entitled the Colorado Ute Indian Water Rights Settlement Act of 1987. Is that the legislation to which you are referring?

Senator DOMENICI. It is.

Secretary HODEL. We have testified in favor of that, and that is the legislation which we thought was necessary as a precondition of the budget.

We did indicate that we thought certain changes needed to be made. I am sorry I cannot catalog for you the changes.

Senator DOMENICI. We can do that at a later time. I merely want to suggest to you, Mr. Secretary, that we need your positive assistance in enacting that enabling legislation. We need your support, because without it we do not settle the Indian water claims that are inherent and indigenous and the basis upon which this whole cost sharing has been resolved. So we urge your support.

Secretary HODEL. Senator, we have supported it, but it has been a conditioned support.

I continue to be very concerned that we are going to get legislation that in fact does not resolve the Indian water rights issue. The agreement that has been negotiated, in my estimation, has a potentially very serious flaw in it, which is that the rights of the Indians to sell water off reservation and outside the State are not protected in the agreement. All that is protected in the agreement is that the Indians will have a right to carry on litigation in that matter.

Now, mind you, when they carry that on, it will be at our expense. If they lose the litigation, the immediate response will be that it is the obligation of the Federal Government to provide them the money that would otherwise have been obtained.

The cost/benefit ratio of this project, therefore, collapses. I think we have a fundamentally flawed arrangement at this time. That has continued to trouble me, in that that agreement does not close the loop on some of the most critical issues.

In fact, some of the parties are openly hostile to the rights of the Indians to do the very thing that is essential for them to have the necessary cost/benefit ratio.

So, I am troubled that we are testifying in favor of this legislation and we are supporting the proposal because of our desire to do what we think is right for Indian country and for the State of Colorado and for the State of New Mexico, but at the same time we have something that when we are through—it will not be on my watch, and so it would be easy for me to sit silently here and say fine, let us go ahead with it, but on some future secretary's watch he is going to be trying to explain to this committee and others why suddenly we need $80 or $100 or $200 million additional funds for Indian water rights benefits that are not available because they cannot do what everybody said was going to be a part of the deal in the first place.

Senator DOMENICI. Mr. Secretary, let me just suggest to you that I do not think this information which I am going to give you is in error. I believe people within your Department have negotiated out this settlement which provides for the very thing that you are now saying you are opposed to.

So I urge that you find out whether the Department negotiations meet with your approval or not. I believe they have negotiated with the members of Congress and are now supportive of the off-reservation water solution that you have just described as being opposed to.

I think we have to get that resolved. We thought your Department was in favor of it.

Secretary HODEL. I think that is what is meant by our testimony in favor of the Senate proposal with certain changes, and I think we have identified what we feel those changes have to be to make this workable.

Senator DOMENICI. I do not want to use any more time on this. I am merely telling you we are getting mixed signals, and I hope you will unmix them.

Secretary HODEL. I will try to unmix them.

Senator DOMENICI. Because I believe they are mixed now, based on your testimony today.

Regarding Salinas National Monument in New Mexico, would you mind taking a look and seeing whether you really intend to keep that a viable national monument, or do you really want us to have to close it for a part of the year?

That is what we have been doing because we do not have enough money. It is an old monument. It is not a brand new one. We have been creating new ones, but they do not have enough money now. They have to close down two of the units during the winter, and you still have not asked for enough money to keep it open year round.

I would very much appreciate your taking a look at that.

Secretary HODEL. I will.

Senator DOMENICI. Mr. Chairman, I have five or six other individual specific New Mexico issues, and I will submit them for the record.

Thank you very much.

Senator FORD. Senator Bumpers.

Senator BUMPERS. Mr. Chairman, I have no burning questions for you. I continue to be concerned about the Department's adamant opposition to any land acquisitions; to its indifference to historical preservation; and to its opposition to the Land and Water Conservation Fund. Of course, this will not look very much like you presented it when we finish with it anyway, so I am not going to go through all of those things with you. We have some philosophical differences, I guess.

I note that you have a $600,000 proposal in here for a study on Hetch-Hetchy. Let me ask this question. What on earth ever prompted you to come up with that idea?

Secretary HODEL. Senator, thank you for asking. I hoped somebody would.

Since I have been with the Department of the Interior now on and off for seven years, I have talked and heard about the overcrowding problems in national parks, and the classic example we always use is Yosemite Valley.

People have said to me on occasion, you know, there is a second Yosemite Valley out there, but it is under 300 feet of water in the park. With my background in hydroelectric management, I never thought that it was even conceivable to think of removing a major dam.

Then this last summer, we finally completed negotiations with Longmont, Colorado, under which we bought three dams that are inside the Rocky Mountain National Park in order to get them out of the park.

About that time, O'Shaughnessy dam at Hetch-Hetchy Reservoir was in the news, and I wrote on the margin of that news clipping, is it possible that we could at least consider doing something like Longmont for Hetch-Hetchy?

Nothing happened, and finally I wrote a memorandum to my staff and suggested that at least I wanted to know whether there were some insurmountable obstacles. Obviously, it would be difficult, but are there some insurmountable obstacles?

The reason is that this is a unique resource. Another Yosemite Valley is not replaceable anyplace else.

So I wrote this memorandum, and within a week or two a reaction came back after brainstorming. The Bureau of Reclamation, the National Park Service, and the Fish and Wildlife Service sat down and talked. They could not think of any insurmountable obstacles. They said to me, there are lots of problems, but there are no obviously insurmountable obstacles.

So then the issue was what do we do now? If we try to study this internally at the Department, it will come out. There are no secrets at the Department of the Interior. It will come out, and I will be accused of trying to conduct a secret study to attack Hetch-Hetchy.

So I called the Governor's office, and I called the mayor and talked to the mayor personally. I said it is only an idea, but it seems to me that it is truly a worthwhile matter to begin taking a look at. We have been spending more than $100 million a year adding property to the national parks. As you indicate, we do not ask for that money, but Congress has appropriated it. It is clearly a priority for the Congress.

We are spending that kind of money annually adding properties to the national parks. Seldom, if ever, do we see a piece of property that remotely approaches Hetch-Hetchy in its grandeur.

So the Bureau of Reclamation did, for the National Park Service, a small study of possible alternatives, not including, I must say, Auburn Dam, and came up with the conclusion that it was entirely possible that all of the water and more besides could be replaced by what they call reoperating options, taking the other reservoirs in the area that are currently part of the system and operating them differently.

The water does not leave the river because the dam is removed. The water remains in the river. It goes downstream.

When Hetch-Hetchy was created it was a very large project, but today it has been dwarfed by other projects in that area. It is now 13 percent of the storage on the Tuolumne River alone. That is all it now amounts to.

It is still a significant project in terms of dollars, but in terms of power supply it is dwarfed by other power available in California. The water is dwarfed by other water supply systems.

So the analysis indicated that it was entirely possible that feasible alternatives could be devised. But it is a very complex water system out there, and in order to analyze that, the Bureau of Reclamation would take several years.

It seemed to me that the challenge to this generation, which is concerned about parks, is whether or not we are even willing to take a look at the possibility that a remarkable alpine valley could be restored. It may be a remote possibility, but I do not think so.

We have heard all kinds of concerns raised. Figures have been thrown around by people who know nothing about it, citing about $6 billion. There is no possibility that a proposal that would cost that kind of money would go anywhere. So, the study would be self-terminating in a hurry. We think, however, that for far less than that something could be accomplished possibly. But the studies have to be done.

If we do not begin them now, obviously they can begin in some future time, but I think it will be much harder for some future Secretary to raise this kind of issue. In all candor, the Sierra Club has been very supportive of the idea—not of me, mind you, of the idea. The Sierra Club and I have an understanding on this matter. The fact that we can see eye to eye on this issue does not require that they agree with anything else I propose or that I agree with them on anything else.

Senator **Bumpers**. They support this proposition?

Secretary **Hodel**. Strongly.

Senator **Bumpers**. Are there other environmentalist groups?

Secretary **Hodel**. Yes, there are other environmental groups that support it. There are some that have taken a negative position, as far as I can tell, primarily on the grounds they do not believe I can be serious about this proposal.

Senator **Bumpers**. I have a little difficulty with that myself.

Secretary **Hodel**. You see, the point I have tried to make on occasion is that this is the trouble with labeled thinking. Some people are so convinced that this Administration does not care about parks and wildlife and resources of that type that they ignore the 29 new refuges that have been added.

It was not easy for us to go ahead with the second——

Senator **Bumpers**. How many of those were added at the insistance of the administration?

Secretary **Hodel**. I do not have that figure.

Senator **Bumpers**. I think I can tell you without even researching it.

Secretary **Hodel**. The second sea otter population off the coast of California was something that was very hard fought. In opposition, developmental interests did not want us to proceed with that. We did proceed with that.

We have spent $1 billion on the park restoration and improvement program because when we came in we found health and safety problems. Now we are hearing news about further concerns on health and safety, and we are pursuing that aggressively.

The point I am making is that I do not think this is out of line at all, Senator, with our conviction and commitment to the parks. I think that it is remarkable that some people are permitting, if I may say it this way, a personality or an image or a conviction they have about what we really believe to stand in the way of analyzing a good idea.

This idea would not have survived had it not been for the help of the Sierra Club. They have been tremendous.

I have with me some pictures which I would be happy to send to you, give to you to look at, of the valley before it was dammed up.

As I say, there has been talk about exorbitant costs. There has been talk about siltation. We are convinced there is not a siltation problem.

Senator **Bumpers**. You can make those determinations before you do anything drastic about it anyway.

Secretary **Hodel**. Absolutely. What we are talking about is four to six years of study, after which——

Senator **Bumpers**. Have you talked to the new mayor of San Francisco about this?

Secretary **Hodel**. I have not. It is very difficult for anyone in San Francisco in an official position to say anything favorable about this because it is, in fact, a significant dollars-and-cents issue for the City of San Francisco. They make between $25 and $50 million a year in return for the $30,000 they pay the National Park Service.

Senator **Bumpers**. That is in power sales?

Secretary **Hodel**. Power and water.

Senator **Bumpers**. They sell water, also?

Secretary **Hodel**. Two-thirds of the water from Hetch-Hetchy Reservoir is sold by the City of San Francisco. One-third goes to San Francisco. Those arguments that this unique, special clear water is coming into San Francisco as its total water supply are simply not true. They are selling two-thirds of the water.

Senator **Bumpers**. I understand that that whole river system is quite capable of supplying San Francisco with all the water they need.

Secretary **Hodel**. In fact, there is another factor that needs to be taken into account here.

When I spoke with the mayor about this, she was quite candid in saying she was willing to acquiesce in this legislation that is moving through the Congress that says no more dams or increasing dams in national parks because, she said, the day will come when the demand for water from this reservoir will be so great that the political pressures will be irresistible and we will be able to raise this dam.

Now, mind you, two years ago I stood against that, Senator, in spite, again, of the image, and we get no recognition for things we do for the parks, I must say. I stood up——

Senator **Bumpers**. Mr. Secretary, I must say, it has not been much.

Do you remember your predecessor, not your immediate predecessor but the first Secretary of Interior of this administration? You have not forgotten that?

Secretary **Hodel**. Were you aware, Senator, of the fact that San Francisco was attempting to raise O'Shaughnessy Dam and flood further into Yosemite National Park and that I had to say no, we will not support that, we will fight it and oppose you, and we were successful? I doubt that you were, and it is no discredit to you. It is the process and the system.

I would be happy to supply you, if I may, with a list of the things we feel are accomplishments in the area of parks and wildlife, and then I would welcome your questions such as the one you raised on refuges, how many of those refuges were at the insistence of Congress, how many of those were proposed by the Administration, and go through that discussion. I think our record is probably not as good as we think it is, but I hope it is not as bad as you think it is.

Senator **Bumpers**. You know, Mr. Secretary, I was the chairman of that subcommittee here that had jurisdiction over parks when we got torpedoed in 1980. I remember we had a long list of parks that were at various stages of land acquisition, for example. Some of them I thought were fairly critical.

Then James Watt became Secretary of Interior, and you can remember what an intransigent attitude he had about that.

Since that time I cannot recall a single, what I would consider, progressive proposal coming from the National Park Service or from the Department of Interior to add land, to add a park, to add anything, even a historical site.

Secretary **Hodel**. Would you permit me?

Senator BUMPERS. Yes.

Secretary HODEL. It is under Director Mott that we have requested and are nearly through the process of asking for proposals for a River Basin National Park.

Since I have been Secretary, we have supported the acquisition of the Tall Grass Prairie National Park, though we have problems with the land acquisition account because as we acquire more obligations for land acquisition, we have still a limited amount of money that we can see available.

So we have certainly proposed those matters.

We have supported the El Malpais addition.

Senator BUMPERS. But it was not your initiative. El Malpais was not an administrative——

Secretary HODEL. Certainly the River Basin was our initiative.

Senator BUMPERS. Tall Grass Prairie?

Secretary HODEL. Tall Grass Prairie has been a National Park Service study for years.

Senator BUMPERS. That is Senator Nickles' bill. Do you favor that bill?

Secretary HODEL. We have supported that bill. I believe that is correct. I have given support to the Tall Grass Prairie since becoming Secretary and talking to Senator Nickles.

Senator BUMPERS. I am pleased to hear it. I do not want to be argumentative about it, because I think you are doing a so much better job than anybody else has done since this administration came into power. I do not want to argue these points.

I wanted to get into the Hetch-Hetchy thing because that never has made much sense to me.

Secretary HODEL. Could I make one other point about Hetch-Hetchy, and that is this last weekend there was a seminar at the University of California at Davis Law School on the subject of Hetch-Hetchy.

There is an argument being made by authors of a law review article that, in fact, the Raker Act which gives San Francisco the right to flood Hetch-Hetchy Valley in perpetuity is being violated by San Francisco by the contracts which it has.

If that is true, then the Raker Act provides a forfeiture of the right to flood. This could affect significantly the economics. Whether there is validity to that, only time will tell, but it is another factor.

The point, I think, that we need to come back to is this is a remarkable asset of the national parks. It has been denied access because of the flooding, and for all practical purposes the area has not sustained a significant number of people using the park.

If we begin a study now, we have the opportunity to find out if we can restore that to the parks and watch that valley come back to the park system.

Senator BUMPERS. Thank you, Mr. Chairman.

Senator FORD. Senator Evans.

Senator EVANS. Thank you, Mr. Chairman.

Let me just briefly say that I was astonished when I heard about your proposal on Hetch-Hetchy, and the longer I thought about it and the more I mulled it through my mind the more remarkable I think it is. I commend you for it.

I think it is what we are likely to have to do more and more as time goes on. As the pressures on our national parks increase and as the opportunities for adding new and untouched areas to our national park system diminish, we are going to have to review what we have in the inventory and how we can better use and at the same time better preserve what we already have.

I hope you will continue to look at that in spite of all the obstacles that people try to throw in your way. It may not work. It may be too expensive, but I think nature has a remarkable way of doing for us what in all the money we spent we could not do for ourselves.

Perhaps the best recent example is what is already happening on the slopes of Mount St. Helens with the terrible environmental disaster that occurred there. Already we are seeing regrowth and the advance of animal life as well as plant life back into that territory. I think it might be pretty good.

Now, let me turn from that to suggest that in the Olympic National Park there is also a dam on the Elwah River. It has a somewhat different relationship. Not that recovering that land would be of remarkable impact in terms of additional land for people, but it has proven to be an absolute barrier to anadromous fish runs which once on the Elwah were among the best and produced the biggest of the salmon in the Pacific Northwest.

I know that there are plenty of complications with that same idea, the same thought of removal or of eliminating a dam which has a very small power capacity. It is not used for water at all except to maybe a minor degree.

There are alternatives, and I think that that kind of thing is a very useful process. I hope you will continue.

Secretary HODEL. Senator, I do think it is appropriate to consider and review these matters where opportunity presents itself.

I should emphasize that with regard to Hetch-Hetchy I have said from the beginning there are a couple of preconditions that have to be met for this to be a viable proposal. It has to be economically feasible, and, secondly, we cannot propose something that removes water and power which cannot be satisfactorily replaced.

So that is what the study is all about, and some people who would prefer not to have knowledge increased and do not want the studies to take place for whatever reason, I suspect the burden ought to be on them to explain why we should not study something like this more than it is on me to say why we ought to want to. The same would be true in other areas.

Senator EVANS. Let me turn to the Land and Water Conservation Fund which Senator Ford mentioned. Tell me if my figures are approximately correct. The total amount allocated to the fund now is something approaching $6 billion. There is an authorization each year to credit $900 million of offshore revenues to go into that fund.

Total appropriations were approximately $160 million in Fiscal Year 1988, which is far short of its potential and enormously short, of course, of what has accrued in the fund.

First, are those figures essentially correct?

Secretary **Hodel.** Yes. In fact, the figure we have is about $6.5 billion total that would have gone into the fund. It has an annual $900 million authorization limit.

Our proposals have consistently been for only such money as we feel is essential for emergency land acquisitions where land which is within potential park boundaries might be changed in character by some activity that is undertaken or hardship case. It has been strictly a budget-driven consideration, I must acknowledge.

Senator **Evans.** What is the current backlog of land acquisition for those properties?

I am probably usurping some of Senator Wallop's favorite questions, but he has been very tough on these issues, I think rightly so. We have a big backlog. I do not know what it is.

Of those bills which have passed Congress and then signed into law by the President what is our current estimated backlog?

Secretary **Hodel.** The figures I have always used, and I am afraid I am going to have to get them revised, are about 3 million acres of land not owned by the Federal Government within the 80 million acres of national park.

I have recently seen figures that indicate that it closer to 2 million acres.

Then there is a recent estimate, which I think is totally off base, that this land could be acquired for $2 billion. We just had a hearing before Chairman Yates in the House, and we talked specifically about Santa Monica Mountains National Recreation Area where, when that project was approved, it was a $667 million estimate for land acquisition.

We agreed that, based on land acquisition costs in that area which have skyrocketed, that that area alone could cost between $2 and $3 billion. In comparing this $2 billion estimate for the purchase of 150,000 acres in the Santa Monica mountains, I think that $5 to $10 billion may not be too large an amount of money.

Now, the issue that we keep confronting because of our budget problem is: how much of that land do we have to push to acquire this year or next year because it is in some kind of jeopardy?

If we take money from operating accounts in order to buy land, we will do exactly what the prior administration did. What they did was they left us a park system which was in need of maintenance, which was run down. There was a GAO report that came out in 1980 which indicated the serious, serious problems that existed in the parks. That is why we had to have, even at tight budget times during the first four years of this administration, a billion dollar program for park restoration and improvement.

So I have been trying to weigh the need for operating and maintenance of the parks against a desire to add lands within those park boundaries that are already approved.

One of the things that I think the Congress does have to help with is that when new areas are approved for parks, we need to take into account the additional cost burden they represent in land acquisition.

This was something that Congress did very well in the creation of the Great Basin National Park. Almost all of that land, to the best of my recollection, is land fully in the ownership of the Federal Government. It does not have additional mining rights that have to be bought and the like. So that was a very productive effort on our part, I think.

Senator EVANS. I fully recognize the difficulties we have currently in budget affairs. We are likely to have those difficulties for some years to come, but I am not even sure it is good budgetary practice.

We have a law that establishes a certain income for a certain purpose. That law has contributed now something like $6.5 billion. More is authorized to come in each year. We spend a small fraction of that. Just watching the cost of land acquisition go up, we are getting ourselves deeper and deeper into the full, which just seems to me is not very good budget practice even when we have a tough budget situation.

We ought to be able to crank a bigger share out of that and not be on this up and down that we are faced with each year and with each budgetary cycle but something that is a lot more consistent and a lot higher, something that comes pretty close to the income that we can or should credit to that account for a certain purpose.

I know you cannot fight that fight all by yourself.

Secretary HODEL. The problem is that as a practical matter, if I were to do that, the issue becomes then where do I make the cuts in the departmental budget at least to partially offset it.

Senator EVANS. I am not suggesting you should.

Secretary HODEL. If we do not do it in Interior, then either some other department has to or it becomes an increase in the deficit. Of course, it is this concept of a zero sum game that always comes back and hits us. Do you have to acquire that acreage this year? Well, no, it is not in jeopardy. Its price may be higher or it could be lower but its price may be higher next year.

That is an economic argument. We pass up economies in our budget because of the urgency of not spending any more money than we absolutely have to in a given year as it is. It is a difficult problem.

Senator EVANS. It is a portion of the creaky way we run our whole budget or even our accounting system, how we account for what we spend. What appears to be a deficit is not really the deficit we think it is. There are things on both sides of that account.

We will probably have to leave it to a new administration, a new year and a new effort, but I think somewhere along the line we ought to recognize that in pure budgetary terms we are getting ourselves deeper in the whole by not putting forth that money on a standardized and rational basis each year.

Senator FORD. You may have to turn the questioning over to a new Senator, too.

Senator EVANS. That is correct. Well, I have a couple more questions, Mr. Chairman, if I could.

Senator FORD. We want to give everybody a chance. Some of them have been here for over an hour.

Senator EVANS. I understand. Let me just very briefly ask about this. The National Park Service the 1989 request preserves funding for park operations while significantly decreasing funding for construction and land acquisition and providing no funding for the Historic Preservation Fund.

These priorities consist of last year's priorities of the administration and goes on further to suggest that encouragement of private sector involvement in historic preservation through enhancement of economic and tax incentives has been highly successful.

Is it not true that the recently passed Tax Reform Act significantly reduces those very same tax and economic incentives?

It seems to me we are going in opposite directions. You are saying they have been successful. Perhaps that has been the indication in the past. Now we are eliminating any response to historic preservation. At the same time we are taking away those successful tax incentives.

Secretary HODEL. I really appreciate your raising that question because Senator Bumpers stated in his opening conclusory remarks about our intentions and indifference to things.

Let me emphasize that I know of no administration that has done more for historic preservation than this Administration. Because of the tax changes that were made in 1981, well over $7 or $8 billion in private investment in historic preservation took place in this country. This is an enormous investment compared to anything else that would have been conceivable.

That was a direct result of our intervention from Interior with the Department of Treasury at the time that tax bill was put together back in 1981. Again this is something for which this Administration gets no credit but is a very real accomplishment.

Now the grants that we are talking about here to the States for about $24 million for the management of their historic preservation offices were begun by the Congress with the idea that that would be seed money and that once the States got the idea as to how to carry on these offices that they would either decide they were important or not important, and they would carry them on or not carry them on.

It was not contemplated initially, as I understood it, that the Federal Government would just year after year plunk down $24 million at a time when it is very hard to come by that money.

This is not in any way a hostility to historic preservation. It is saying, let us do what we said we were going to do and give the States now the opportunity to decide how they are going to manage those things. Many States will continue. In many States this is only a small portion of the money that they use for historic preservation.

I do not know the status of the current tax code, but the Congress and the Administration worked out a tax bill which changes the incentives for historic preservation downward, presumably substantially or significantly. If that is the case, the work that the Historic Preservation Offices may be called upon to do may be substantially diminished because a large part of that approval process went through those offices.

The point I am trying to make is that this grant is not the sum total of activities that take place on historic preservation. In fact, it was intended to be, I believe, seed money at the beginning stages. The $4.5 million is a grant to the National Trust for Historic Preservation, which is a private entity which we think is capable of continuing without that kind of contribution from us.

Now, each year we have proposed this, and each year Congress has seen fit to restore it to our budget.

Senator Evans. Thank you, Mr. Chairman.

Senator Ford. Thank you, Senator.

Let me make this announcement. We will keep the record open until the close of business on Friday so that the members can submit questions to be answered for the record. So we will keep that open until then.

Senator Wallop.

Senator Wallop. Thank you, Mr. Chairman.

I guess that it would come as no particular surprise that I hold a different view from the Senator from Arkansas on the achievements and accomplishments of this administration. I think it is wise to remember that all during the 1970s and the latter part of the 1960s we spent a ton of time, of Congress' energy and appetite, for indulging new park plans all over America at the explicit cost of the repair, maintenance, health and safety of the existing national park system.

When Secretary Watt came in, with a great deal of support, I might add, from a whole lot of people around America, we put as a priority to refurbish, repair and maintain the park system that we already had.

One of the problems that took place in the 1970s, frankly, was this enormous appetite for authorizing new parks with no stomach for funding them.

So I think on behalf of a lot of people who enjoy the national parks, I would personally like to thank you and your predecessor for refurbishing Yellowstone National Park as a prime example of how much better a park can be than it was in 1980. It has a long way to go; I do know that.

Each of us have parks in our States that have benefitted from that.

Also, on behalf of a whole lot of people whose property has been taken by this process, I would like to thank you for putting their priorities in advance of authorizing new parks and putting them farther back to the end of the line.

Some day somewhere in this country there is going to be a banding together of those people, and there is going to be a class action suit against the government of the United States insisting that these people be released from the status of park or paid for the property which they hold which we have taken.

As of this moment they cannot sell it to anybody for the simple reason that nobody else can do anything with it either. The only privilege they have is to pay taxes on it until this government gets around to paying for it.

Every time we authorize a new band and batch of park land, we put them farther back down to the end of the line, and the new ones seem to go to the top of the line.

I also want to add my thanks to Senator Domenici for the position on the collection of royalties. It was very well received in Wyoming and very well received by me.

Mr. Secretary, I have a quick question, and it relates to park entrance fees. It is my understanding from looking at this process that those fees will now be used to supplement appropriations for park operation. The budget indicates that approximately $52 million in entrance fees will be available for use in the parks in 1989 and that $37 million of that is new.

You show Fiscal Year 1988 appropriations of $730.8 million and a Fiscal Year 1989 estimate of $733.8 million. That difference is only really $3 million.

The question is would you explain how the $37 million in new entrance fees will be used to supplement appropriations for Park Service operations?

Secretary Hodel. I will be happy to try. In the report of the House Interior Committee to the Budget Committee in Fiscal Year 1988, there is a table on page 58 which shows a National Park Service operations budget request of $714,844,000; call it $715 million.

The 1988 committee recommendation was $675 million. Footnote: $715 million assumes $74 million in fee revenue and new fees not authorized by existing law. So that was a little bit of pie in the sky which then came to pass.

The langauge on page 59 at the top reads, "To meet the present and future challenges and problems within the system, the committee supports establishing a stable funding base for the operations account and recommends a funding level of $675 million."

So what I believe happened was that they scored as receipts some $75 million. That cannot be right. They scored as receipts the difference between $675 million and $714 million, which is $40 million, and did not treat that as fee income in that year. They appropriated that for various things in the parks.

This year, we operate from the $675 million base, and we increased the operations base in our proposal to $681.6 million or a $6 million increase in the base operations.

Then we show fees being added of $52 million, and that is how we come up with $733.8 million versus $731 million last year with the actual park receipts.

So my belief is that we are completely consistent.

Then there is language in the National Park Service justification statement which I think causes concerns but I think it is——

Senator Wallop. Is that the one on page 10?

Secretary Hodel. On page 10, National Park Service justification. If I may read the whole paragraph:

"Due to the urgent need to limit Federal expenditure and to respond to priorities established by park managers, a number of items added by Congress to the 1988 budget request are shown as decreases in 1989."

Now, our view is that those add-ons by the Congress totaling some $10 million were out of what would have been fee revenue but it was not restricted as the statute now restricts it, so Congress could appropriate it.

We have said they are diverse in nature, ranging from increased operational levels at several parks to additional funds Servicewide for trail maintenance, utility costs and random monitoring.

What we say is park managers will have the discretion to allocate the additional funds provided from the distribution of the fee income to cover these requirements should the items fall within the mandated categories prescribed for use of the fee revenue.

Bottom line: $675 million is our base operating budget. We increased that to $681.6 million, this year.

In addition, Congress appropriated what would this year be called fee revenues to certain special things. We are saying to the park managers, you continue those things if you want because that is basically what the Congress did, or you may have a different set of priorities in your park and you can spend your fee revenues on those issues.

Senator Wallop. Mr. Secretary, the problem I have which I am still worried about, I know it is your intent that that fee legislation agreement be honored, but if you read the next paragraph in there, and I will not go through them all but starting in the middle of that, the first part is just a recitation of those things.

Funding under the subactivity, enhanced park operations is eliminated in 1989. That is the full amount of money derived from fee revenues. The $52 million cited above will be detailed under the subactivities of interpretation, maintenance and resource management.

Now, it would appear at first reading that what has happened in that area is that what they used to get for free they are now going to have to buy and, therefore, there is no real increase in their operations.

Secretary Hodel. Last year that enhanced park operations account was added by the Congress to the tune of $15 million out of projected fee revenues above the base operating level of $675 million. That is our view.

Congress, in passing the fee legislation, I say unfortunately, restricted what it can be used for within the parks——

Senator Wallop. I agree with that.

Secretary Hodel [continuing]. And does not include what you and I have in mind under enhanced park operations.

So what we are saying is, although the Congress added in that $15 million for enhanced park operations out of fee revenues when it passed the bill, it does not give us the right to do the same thing; therefore, we are not seeking it as part of our base operations budget. We have moved $6 million from our base operation budget.

I think we have kept faith. What we are saying is in light of the legislation, the park fees may not be used for that purpose because that is prohibited by the statute.

Senator Wallop. In Yellowstone your figures indicate approximately $2 million in new fees will be available to the park in 1989, but, once again just to reassure myself, it would appear to be correct that Yellowstone would have to pay approximately $2 million for expenses in 1989 that were covered by the regional office in prior years.

The real question is, is there a real increase of $2 million for Yellowstone in Fiscal Year 1989?

It would appear that they are going to have to buy $2 million worth of things——

Secretary Hodel. Just a moment, Senator.

If what Congress did last year, and it did in some cases agree that additional monies could be spent for regional office activity or central office activities, then with the fee legislation that has passed we cannot permit fee monies to be utilized for that activity.

So what we are telling the park manager is, if you want that enhanced or continued level of service from the central office, you are going to have to pay for it out of your own portion of your budget.

Now, in the case of Yellowstone we have increased their base from 12.9 in 1987 to 13.5 in 1988, and it stays at 13.5 in 1989. We isualize a park fee increase from 0.7 in 1988 to 2.7 in 1989. Park fee money cannot be expended for other than the limited purposes.

Senator Wallop. I know that was a mistake, and I also think it was a mistake to put it into the appropriations process just to satisfy one year's budget whim, but that is what we did.

Mr. Secretary, it is my belief that that is your intention. If I may have my staff work with yours to assure ourselves that Yellowstone does, in fact, get $2 million that the fees would indicate they ought to get.

Secretary Hodel. Senator, I would like to work with your staff and our staff and get it ironed out because I know what our intention is, I know what our commitment was, and we are trying to maintain that.

The other thing is when we get it clear, I hope that your staff and my staff can make sure that everyone in the National Park Service understands this so that they are not giving any mixed or false signals on this subject.

Senator Wallop. Thank you, Mr. Secretary.

Thank you, Mr. Chairman.

Senator Ford. Senator Nickles.

Senator Nickles. Mr. Chairman, thank you very much.

Mr. Secretary, welcome again. I appreciate your earlier comments in support of the Tall Grass Prairie.

I also want to take this moment to thank Bill Horn, who has done an outstanding job in drafting that legislation as well as Director Mott. I think they have worked well, and they have indicated to me it is a very high priority.

Would you say the Tall Grass Prairie Preserve is a high priority for this administration?

Secretary Hodel. Yes, it is a high priority. The problem, as you know, Senator, is that we are concerned that whatever we would like to do to do deal with this land acquisition issue and the costs involved we are constrained by the restricted availability of funds.

Senator Nickles. So you support the concept of the prairie preserve but the $64 million question is how we pay for it.

You have no funding in your budget right now for new land acquisition; is that accurate?

Secretary Hodel. There is $15 million or some such figure for emergency acquisitions, which would not include ordinary purchases.

As the discussion earlier indicates, we have lands which would cost many billions of dollars to acquire. I do not have a priority listing, but what I found is that the Congress appropriates money each year for land acquisition and identifies what it is the Congress wants the money spent on so that that priority keeps being established by something other than the National Park Service priority approach.

Senator Nickles. Is the Tall Grass Prairie one of the Park Service's top priorities?

Secretary Hodel. As far as an addition to the park system, I think it is. Director Mott has indicated that this is a land form that is not now represented in the National Park System, and he thinks it would be appropriate to do so.

Senator Nickles. You mentioned you have no money in the budget for new land acquisition. If I remember, you had no money in for new land acquisition last year.

Secretary Hodel. Or the year before or the year before that except this modest amount for emergencies; yes, that is correct.

Senator Nickles. Last year Congress appropriated $160 million?

Mr. Itteilag. $121 million to our Department, Senator.

Senator Nickles. The Tall Grass Prairie Preserve is one. You mentioned taking advantage of economies. Economy-land values, et cetera, are low.

We are also talking about a relatively small area, at least if you look at the national concept of national parks or preserves. We are looking at 50,000 acres of fee area that may well be going for $300 an acre, it would be my estimate. That is $15 million.

It would be possibly 50,000 acres of land assessment area, so you are talking about, in my guesstimate, probably $20 million, maybe $22 million, for land acquisition. So it is not a big item at least as far as the National Park Service.

I heard you talking about some areas of possible billion dollar projects, and I am thinking, well, wait a minute, this is a high priority but low in expense compared to some of the other requests on the system. Would you agree with that?

Secretary Hodel. Relatively speaking, yes, although the acquisition costs that the National Park Service is presently working from are considerably higher than the numbers you have indicated.

But in addition to land acquisition there is developmental cost which would run another $1.5 million or $2 million a year for 8 or 10 years and an annual operating expense.

We need to be aware of what Senator Evans was saying earlier, that as we add parks, as we add these obligations to the system, the money is going to have to come from somewhere.

I know that Director Mott, who favors the addition of this park to the system, and Assistant Secretary Horn are trying to find a way to reduce the cost to an absolute minimum which makes it more feasible, perhaps, to move aggressively in the land acquisition.

Senator Nickles. We had talked to them about the possibility of a land exchange for providing the funds. Is that possible? Do you see that as likely?

Secretary Hodel. I hope my successor has more success than I have had with the utilization of land exchanges. As a matter of fact, I happen to believe we have multiple-use lands that have economic value to them, and in many cases it is costing us money to manage them.

There would be distinct benefits in using those multiple-use lands, whether they are coal or oil or whatever, for exchanging, converting them if you will, into a kind of currency which could be used to acquire some of the backlog of this land, because our balance sheet will remain the same.

The Federal balance sheet will be that we have traded $1 million worth of land for $1 million worth of land that Congress said belongs in a park.

Senator NICKLES. I would echo that, but we need some assistance from your Department to help that become a reality.

Secretary HODEL. I think we have been highly supportive of exchanges both in principle and in fact. Each one requires a great deal of effort and a considerable amount of talent, and our Assistant Secretary, Mr. Horn, has been extremely important to this.

Senator NICKLES. One final comment on the Tall Grass Prairie. I would hope that we would work energetically to see this happen during your watch, again because Bill Horn and Director Mott have put in a lot of time, energy and effort on this and I would like to see it happen with their input and their involvement.

I think they have invested so much, and Senator Boren, Congressman Edwards and myself and others have worked on this a long time. We would like to see it happen with those players that have been involved. So I would hope that you would help us either prioritize, or maybe working with the Congress we can come up with the amounts on the appropriations to see this happen this year.

Let me ask you a different question, again on the parochial side.

You have under your Department the Bureau of Reclamation. You also have Fish and Wildlife. Fish and Wildlife has a dam, the Elmer Thomas Dam, that needs to be repaired or replaced. The Fish and Wildlife Service, if I remember from last year, had about $7 million for dam repair.

The Bureau of Reclamation is a much, much bigger agency, much more competent in this Senator's opinion as far as dealing with dam safety and dam repair.

I have been a little less than satisfied with some of the progress that the Fish and Wildlife Service has made, and that is not a criticism of Mr. Dunkle or anybody else. It is just that I do not really think they are in the dam safety business. I do not think they spent that much time in trying to repair, fix or replace dams as compared to, say, the Corps of Engineers or the Bureau of Reclamation.

Would it make sense to do some type of fusing in with Fish and Wildlife Service and have the Bureau take over repair and maintenance of these facilities?

Secretary HODEL. The Bureau of Reclamation is involved in the assessment of the need for repair work or maintenance work on this dam. The exact extent of the estimates was not known at the time this budget was being put together.

As I understand it, the Fish and Wildlife Service thought that they could proceed using what they called other funding sources, and it turns out they are working right now on a proposal apparently to request emergency authority under section 102 of the general provisions of Public Law 100-202 which would permit them to get the necessary funds.

My belief is, unless there is some reason for thinking to the contrary, that they are capable of managing this project and know that the Corps of Engineers, with whom they are cooperating on the flow releases from the Lake Elmer Thomas Dam, is on top of the situation.

Senator NICKLES. I appreciate it and, again, I am not trying to be overly critical. I will just give you a new problem. I will tell you, though, as Secretary you should hear some of this information.

There was one contract that was let to basically lower the water volume of the dam because they were afraid there might be a dam failure. So they let the contract for one firm for about right at $1 million when we had another firm, a very competent firm, that could have done it for about 40 percent less, for $600,000 or $700,000.

That bothered me. It made me think these guys do $7 million worth of business a year on trying to repair dams, whereas the Bureau of Reclamation is in the hundreds of millions of dollars, billions of dollars.

Secretary HODEL. Senator, I have a briefing paper here which I would be happy either to read from or to submit to you in explanation of why the bids were selected the way they were. If you would like that, we would be happy to make that available to you.

Senator NICKLES. I would like to go over that. You do not have to read it to me out loud.

I wanted to bring to your attention maybe a little bit of the problem and, again, maybe this one little fact of initial contract that seemed to me to indicate that some of the people were not being as fiscally prudent as I would like for them to be.

Secretary HODEL. The indications are in the briefing paper that for environmental considerations and performance considerations, they concluded that they had to go with—

Senator NICKLES. I read that, but between you and I that is hardly satisfactory. Again, I will be happy to go into this in greater detail.

But you, as the administrator of your department, should be aware you have Fish and Wildlife making some decisions, and in some cases I think they waste a little money.

Thank you, Mr. Chairman.

Senator FORD. Senator Metzenbaum.

Senator METZENBAUM. It is nice to see you again, Secretary Hodel.

Secretary HODEL. Senator, how are you?

Senator METZENBAUM. I am glad you are my friend, because that is the reason you took only 34 percent of Ohio's money away. I would hate to think what would happen if you had been unfriendly.

I understand Senator Ford has already expressed his concern about the changed allocation formula for State grants under the Abandoned Mine Reclamation Fund.

Frankly, I am very concerned that Ohio's share has been cut by 34 percent for 1989. It is just at the very time that the state's reclamation program has been moving forward.

Now, much reclamation work awaits funding in Ohio, and what I do not understand is why is it not possible that Fiscal Year 1988 funds be reallocated base on some consistent criteria.

Secretary HODEL. The Office of Surface Mining Reclamation and Enforcement did an inventory of abandoned mine land, coal mine sites, between 1979 and 1982. These are for sites abandoned prior to August 1977.

Then concerns arose about the integrity and completeness of that list. So they said, I assume a year or two ago, to the states give us an updated inventory. They accepted that inventory, and it was discussed with the states but the implications apparently were not appreciated until the announcement of what that new inventory meant.

What it meant, as Senator Ford has previously indicated and as you are indicating, was very significant changes downward for some States and increases, particularly for West Virginia. I think the figure the Senator used was 84 percent, a $13 million increase.

Senator METZENBAUM. That was smart. That is the state of the chairman of the Appropriations Subcommittee in this matter. I am not on that Appropriations Subcommittee, and I would like to know how we are going to take care of Ohio and Kentucky.

Secretary HODEL. Because of the complaints, we have reopened the inventory. But the problem that that creates and that I have already discussed with Senator Ford is that this does not mean we have an inventory on which we can change the allocation in 1988.

There was considerable effort by the Office of Surface Mining to go out and examine sites of any consequence or size to be sure that the comparable criteria were used, but I have assured the Senator from Kentucky, Mr. Ford, that we will go back and review this criteria question because I can understand the concerns being raised by the States.

Senator METZENBAUM. The program is working in Ohio. I understand it is working in Kentucky. Frankly, one does wonder why our states were cut back so much without any notice, without any opportunity to discuss the matter. You wonder what is the criteria that is used.

Secretary HODEL. My understanding is that the States and tribes that were involved were given an opportunity to follow up the initial submissions. I suspect that what was not done was that nobody sat down and ran a calculation and said to Ohio, do you realize that the submissions that have been made are going to have the consequences to Ohio, or to Kentucky that they will have. I may be wrong about this.

Senator METZENBAUM. Can you give us some confirmation that that actually took place?

Secretary HODEL. Yes.

Senator METZENBAUM. May I hear from you by letter?

Secretary HODEL. Yes. If it will be satisfactory to you, I would like to send you and Mr. Ford and others who are interested in this a background of just what transpired.

I assume, in view of the circumstances, that if there is a dispute as to what we represent in that letter that you will promptly let me know and I can get to the bottom of this.

Senator METZENBAUM. If we can find facts that bear some reconsideration, do we have your assurance that the matters still can be reconsidered?

Secretary HODEL. If it is legally within my capacity to do so, Senator, if there are reasons to believe we ought to revise that formula, I will take action to do that.

Senator **Metzenbaum**. I am also very concerned the Department has once again recommended a total elimination of funds for the State Matching Grants Program under the Land and Water Conservation Fund.

Now, cities and towns throughout Ohio have been able to support local parks because of these matching grants.

Given this administration's support for turning no responsibility over to states and local governments, how do you justify elimination of a program which has been tremendously successful and generated enormous sums of local revenues?

Secretary **Hodel**. This is a matter that I know is of concern to many on the committee. It is, unfortunately, a situation in which, because of the budget constraints, what we have tried to do is put in the Land and Water Conservation Appropriation Account only those monies that we felt were essential for emergency acquisitions.

That result is, of course, that we have proposed again that we not fund this particular account which, as you know, has been funded through Congressional action for the last several years.

Senator **Metzenbaum**. Secretary Hodel, another successful self-help program has been the fund for State and local rivers and trails conservation assistance.

Rivers and trails provide badly needed recreational opportunities in many areas. Some of this money has been used to help localities convert abandoned railroad corridors into trails.

Last year I and several of my colleagues pushed for funding which was appropriated at $1.9 million for Fiscal Year 1988. I must say that I am disappointed at your annual attempts to gut this fund. I do not know why you are opposed to them.

I will again seek funding for rivers and trails. As a matter of fact, it should be noted that the President's own Commission on Americans Outdoors recommended preservation of the Nation's riverways and trails.

Now, the idea of converting old railroad beds to bicycle trails I think is such a magnificent idea. It has been so universally acclaimed; yet, we do not have your Department with us on the issue, and I am wondering why.

Secretary **Hodel**. Senator, I have to draw the distinction between being with you on an issue and proposing to spend money on the issue.

I think it is fair for me to say that the Department supports, as you do and as many others in the Congress do, these kinds of activities.

The difficulty is that in putting together this budget, what we have tried to put our emphasis on is the operation and maintenance of existing facilities. If we have to make choices, that is where I have tried to make it so that we do not see a deterioration and a lack of ability to appreciate and utilize what is already in the park system, in the fish and wildlife refuge system and the like.

That has meant making some hard choices. So because of the fact that I have not asked for money, I beg of you do not read me as being hostile to the idea. In fact, we are trying to find ways to stimulate local activities to pick up in some of these cases where we cannot go forward under our budget proposal because we favor and think those are important activities.

Senator **Metzenbaum**. Without some Federal stimulant, without some Federal assistance, they just cannot do it. We are talking about peanuts money, because under our bill I think we provided for the matter of selling off some of these old abandoned railroad areas that could then be using those funds for this funding purpose.

Has the administration taken a position on that bill?

Secretary **Hodel**. I am sorry. I am not aware of what our position is on that bill. I would be happy to submit that for the record.

[The information follows:]

National Trails Legislation

The Department supports the intent of the bill, to encourage State and local governments to acquire and develop trails for recreation and conservation, but cannot support enactment as originally introduced. The bill originally raised but did not resolve a number of legal issues. For example, the federal government could have been put in the position of asserting title over lands it no longer owns, thus creating an issue of a potential taking by the federal government of private property. The bill originally earmarked receipts from Federal property sales to a new Trust Fund. Certain amendments made by the House, clarifying federal ownership and deleting the new trust funds, have our support.

Senator **Metzenbaum**. Thank you very much, Mr. Chairman.

Senator **Ford**. Senator McClure.

Senator **McClure**. Mr. Chairman, I want to take just a moment to express what I have expressed before to this Secretary, to this administration, on some of the activities that have been undertaken over the last eight years.

Senator Bumpers earlier made some criticism of the commitment of the administration to parks and recreation, and I want to express again what I have expressed before. As a member of the House of Representatives and of the Senate for a number of years prior to the time this administration came to town, I was very much in favor of the priority that we had then assigned to the acquisition of lands at the expense of operations and maintenance.

There was a backlog of need, and there were an awful lot of properties being lost that we wanted to preserve. So we deliberately skewed a program in favor of acquisition.

Senator Wallop is entirely correct that sometimes in delaying development and acquisition where we had authorized acquisition, we did great injustice to people whose land was acquired or designated for acquisition but was not acquired.

We also did great injustice to communities where we told them we were going to interrupt prior commercial activity and substitute for it the tourist activity that came along with the development of park areas.

So we knew. It was conscious on our part that we were participating in what was to a degree an unwarranted intrusion on private property rights and on the rights of communities affected by Federal action. We did it because we believed it was justified to tilt the program in the direction of land acquisition and the creation of units.

That led through the 1970s to the condition that culminated in the GAO report to which you made reference, Mr. Secretary. That

GAO report was ordered, was done, and was submitted before you came on board. So you did inherit that situation in which the Congress recognized an imbalance that had been created by Congressional and administrative actions in the years preceding 1981.

I do not think it is wrong for us to have turned that around in 1981 to look at things like raw sewage on the surface of the ground in national parks; at a situation in Rainier National Park where just the use of the land had destroyed camping areas.

We needed to get into the operation, maintenance and protection of security and safety and public health within units of the national parks. I think Secretary Watt and his successors are entitled to some credit under this administration for having recognized that problem and dealt with it affirmatively as we turned that priority around away from acquisition towards operation and maintenance requirements that had accumulated to such a deficit level by 1981.

I do not think we should let the record stand totally uncorrected with respect to the fact that those efforts were needed, they were supported by the Congress, and they are not a mark of lack of interest in acquisition. They are a mark of the priority that needed then to be recognized in these public safety, public health and operation maintenance requirements.

I want to commend both Secretary Watt and you, Mr. Secretary, for having recognized that and supported what Congress directed as well.

I just think it is unfair to stigmatize this administration as being uncaring when, as a matter of fact, it has been very caring about those resources.

I will not take very much longer in this vein, Mr. Chairman. I appreciate your indulgence.

One of the things I noticed here very recently is that one of the local television stations is running a series on wild horses and burros, and the only thing they left out of that is the damage that was being done to the resources. I sometimes wonder why it is that people a long way away from the seat of the problem never quite get it right. They keep looking at symptoms rather than causes.

Yes, there is a problem with wild horses and burros. Their problem is they breed and they multiply. When they breed and multiply on those fragile public lands, they oftentimes cause destruction of the environmental and ecological values that we all seek to maintain. That is why there is a wild horse and burro program. It is not because of any desire on the part of this or any other administration to create a problem.

Congress mandates that horses be protected, and I support that. I also believe, however, that Congress mandates that you protect the public land resource. You cannot certainly just allow numbers of horses and burros to destroy those values and meet your charge under laws which Congress has passed and which you support.

Mr. Chairman, I did want to make a brief statement in defense of some of those problems and policy choices which this administration has made which I fully support and have supported over the years.

Secretary HODEL. Thank you.

Senator McCLURE. Thank you, Mr. Chairman.

Senator FORD. Beauty is in the eye of the beholder.

Senator **McClure**. Well, some of those horses are beautiful. Some of them are jugheads.

Senator **Ford**. Beauty is in the eye of the beholder.

Senator Conrad.

Senator **Conrad**. Thank you, Mr. Chairman.

There are several things, Mr. Secretary, I would like to get your reaction on: Garrison Funding; Abandoned Mine Reclamation Fund; and Land and Water Conservation Fund.

Before we do that, I would just like to get your reaction to an incident in my state that affects BLM's Adopt a Horse Program. Senator McClure has just made mention of it.

Under that program, as I am sure you are aware, an individual can adopt up to four horses, and if they care for that horse for a year, title passes at the end of that period.

We have a situation of which I have just been apprised by my staff in North Dakota where a man near Cheyenne, North Dakota got 100 people each to adopt four horses. They then gave him power of attorney to care for these horses. So this individual got 400 horses in July of 1987.

By January, local officials were receiving many complaints about this man's treatment of the horses. In fact, it was so significant that BLM went out, found a number of horses dead, 18 horses dead and 60 horses missing. The local veterinarian has told my staff that the horses suffered from starvation and dehydration.

BLM issued a corrective order requiring the segregation of these horses so that they could be treated in terms of what level of condition they were in. What I find disturbing and what my constituents find disturbing is they still intend to pass title at the end of the year.

We have a situation here where from all accounts we have real abuse. I would be interested to get your reaction to this incident and how we might pursue this matter to make certain that somebody who is abusing livestock in a very clear way is prevented from gaining title.

Secretary **Hodel**. If you are asking for my reaction, my reaction is like yours. I think the matter you have described is an outrage. I am not familiar with the situation. I do not know the basis on which the Bureau of Land Management would issue a directive of the type you are talking about unless they have reason to believe that there was some kind of, I will not say excusable, but explainable negligence on the part of the person and that there would be a change in his behavior, obviously. I assume he is under much closer surveillance.

The statute lays out the obligations of the Bureau of Land Management, but I think at this point all I can say is I would like to look into the matter and learn more about it, obviously.

Senator **McClure**. Would my friend yield for just one question on that?

Senator **Conrad**. Absolutely.

Senator **McClure**. Mr. Secretary, would it or would it not be your view that these paper transactions in which a person signs up off with a power of attorney and never takes possession of the horse, never intends to take possession of the horse, never intends to deal with that horse at all, is a scam? Is it a violation of the statute?

Secretary HODEL. It is not my understanding, Senator, that it is a violation of the statute; but then I do not have legal counsel with me to tell me that is a mistaken view.

Senator McCLURE. It certainly appeals to me that if indeed they never take possession of the horse and never intend to that they are in violation of the fundamental intent of the statute in the first place.

Senator FORD. Does the statute refer to adoption at all? I do not believe it does. Does it? Okay. Is that new? Okay.

Senator CONRAD. Let me just pursue this, if I might, because I think you are getting to the heart of this matter.

We have a man here who frankly does not enjoy a very good reputation. I would like to share some things with you, Mr. Secretary, before you leave, things I would rather not go into in open hearing, about the individual involved, because there are other questions about this particular individual.

I am greatly concerned and, frankly, the people in the area are very aroused about this matter. People in our state do not go for abuse of livestock. When the local veterinarian says these horses have signs of starvation and dehydration, 18 horses dead, 60 missing, and he has had these horses half a year, something is radically wrong.

It would seem to me radically wrong that title would ultimately pass and that BLM would take a position that that is appropriate, given the sham nature of the underlying transaction.

Secretary HODEL. I think in light of the comments that are made here, I need to go back and take a look. If, as Senator McClure is saying, it is contrary to the intent of the Congress, maybe not the letter of the statute, then I think we need to get our act together and revise what we are doing.

Further, it is certainly——

Senator FORD. At this point, Senator McClure represents me.

Secretary HODEL. So in this case, this beauty is in the eye of both beholders.

I think the point you are making is well taken. I simply need to go back and take a look. We should not be in that position.

In fact, I do understand that the Bureau of Land Management will not go through this large adoption process with someone where they know that the intention is to acquire the horses and as soon as title passes sell them.

So we have already taken a step in that direction. It sounds to me like maybe we have not taken a big enough step in that direction, from what you are telling me. But if I may I would like to go back and, with such other information as you and I discuss hereafter, talk a little bit about it.

Senator CONRAD. After you have had a chance to look into this, would it be possible for me to get a reaction in writing?

Secretary HODEL. Surely.

Senator CONRAD. In this particular case, I think it is of sufficient gravity that we make sure that there is followup. I appreciate very much your willingness to look into it.

Let me just go on to a couple of other items, Mr. Chairman, if I might.

Garrison funding, last year the administration recommended $2.5 million. This year I am very pleased to see that you are proposing $27 million, which is much more in line with what the original premises had been for multiyear funding.

I would just be interested to get your reaction on why the change in the recommendation.

Secretary HODEL. Because in last year's proposal, I know all who have water projects on this committee remember, we proposed a revised means of funding. As a result of meetings and discussions with you and with other members of this committee and on the House side, a portion of that restructuring took place but not all of it. As a result of that, we said we would move forward at this level with garrison.

In in this year's budget we did not revert to the proposal of last year. We tried to maintain the agreed-upon approach that had been reached with the Congress. The Bureau of Reclamation budget this year reflects that.

Incidentally, we have had some success with the approach we laid out last year and were able to get, I think, four projects to completion. As a result we have some monies available for some increased spending on some projects that were delayed last year.

I assume you noticed also that in the out years we projected expenditures for Garrison in 1990 of $51.6 million and in 1991 of $45.7 million and 1992 of $45.4 million and $45 million in 1993.

Senator CONRAD. I just take this opportunity to thank you publicly for your responsiveness. You and I had a fairly intense meeting, I think you will remember, a year ago on this matter, and I do want to commend you for your responsiveness. I know you had a different viewpoint in terms of how funding out to be carried out for these projects.

I hope you understand that is a sincere feeling on the part of those of us who have had less than a completely satisfactory relationship with the Federal Government, not this administration, on these questions.

A couple of other just very quick points, Mr. Secretary. One is on the Abandoned Mine Reclamation Program. I understand you are going to give some analysis to the Senator from Ohio on that matter. I would like our state to be included in that analysis if that would be agreeable.

Secretary HODEL. I will, yes.

Senator CONRAD. We would appreciate that very much.

Finally, on the Land and Water Conservation Fund, this is the thing that the people in our state feel strongly about, so I would like to make a pitch to you very quickly.

I see what you have done in the budget. We are not talking about big sums of money, but they are meaningful in a small state like ours. The people feel strongly about it there, and I just wanted to make that point to you.

Finally, Mr. Secretary, I wanted to thank you publicly for the discussion that we had on the Alaska National Wildlife Refuge. I want you to know that my vote in that situation did not reflect a fundamental disagreement with your position.

I frankly think the fundamental position that you have taken is correct. My vote reflects more a disagreement on process that pertains to the position of the ranking member as well, because I think the underlying position is a correct one.

Secretary HODEL. Thank you.

Senator CONRAD. I wanted to thank you for the time that we spent together. I found your points compelling although not finally persuasive.

Secretary HODEL. We are back to good news and bad news.

Senator FORD. I will reiterate the statement I made earlier, that we will keep the record open until the close of business on Friday so that Senators might submit questions.

Mr. Secretary, do you have something else?

Secretary HODEL. With your indulgence, Senator, could Mr. Itteilag correct a statement that he previously made in answer to a question that you raised?

Senator FORD. Anything he might correct to me is admissible. [Laughter.]

Mr. ITTEILAG. Senator, going back to the coal availability studies, you are correct that with the amount in our budget two of those studies will be delayed. I misspoke.

Senator FORD. You did not tell me which two studies would be delayed, did you?

Mr. ITTEILAG. No, I did not, Senator. I do not know, but I will be happy to put that in the record if it is known.

Senator FORD. If you could do that, and just drop me a handwritten note or something over there to let me know which ones they are.

I suspect which ones will be delayed, since it is "Get Kentucky Week or Year."

So thank you, Mr. Secretary.

Secretary HODEL. Thank you, Senator.

Senator FORD. This meeting is adjourned.

[Whereupon, at 11:40 a.m., the hearing was adjourned.]

APPENDIXES

APPENDIX I

Responses to Additional Committee Questions

Questions submitted by Senator Johnston
Bureau of Land Management

1. Question: BLM estimates that revenues generated by federal oil and gas leasing are expected to be about $700 million in 1989.

a. Does this take into account the expected increase in revenues due to the passage of the Federal Onshore Oil and Gas Leasing Reform Act of 1987?

Answer: The estimate shown on page BLM-36 of the FY 1989 Budget Justifications did take into account the passage of the Federal Onshore Oil and Gas Leasing Reform Act but underestimated bonus bids. The Act will generate approximately $3.5 million in additional rentals from new leases but this will be offset somewhat by a reduction in the number of acres leased.

The original estimate included approximately $7 million in additional revenues from bonus bids. Since development of the estimate in our budget submission, an additional $40 million in bonus bids that may be generated as a result of the Act has been identified. This revised estimate of bonus bids is based on the assumption that the bid for 90 percent of the leases issued competitively will be $5/acre and the remainder of the leases will command $100/acre in high bids. Assuming the same acreage is leased as was assumed in the Estimate this results in an increase in bonus bids of approximately $40 million in FY 1989 for an estimate totaling $740 million. Test lease sales scheduled to be conducted in the latter part of March and early April of this year will allow us to check the accuracy of these assumptions.

b. If so, what percentage of the $700 million can be attributed to the new reforms?

Answer: The overall increase in revenues to be generated by the Act is about 6 percent as the vast majority of the revenues are attributable to royalties.

2. Question: The budget proposal includes a $1.2 million increase for mining law administration.

a. On how many operations does the Bureau currently conduct compliance checks?

Answer: The Bureau conducted compliance checks on 3,875 notices and plans of operation in FY 1987. We expect to conduct about 6,000 in FY 1989.

b. How often are plan of operation compliance checks required?

Answer: All plans of operation are to be inspected at least once per year during operating season. Those which involve more critical resource values or involve operators with a less than satisfactory performance history are inspected more frequently.

c. How many patent applications were received and processed in the past 5 years in the California Desert Conservation Area?

Answer: From FY 1983 through February 1988 the Bureau received and processed 15 applications.

d. How many applications does the Bureau anticipate will be filed in FY 1989?

Answer: We expect 8 to 10 new patent applications to be filed in FY 1989 in the California Desert Conservation Area.

3. Question: Does the Department plan to submit any legislation regarding surface mining programs?

Answer: As of this date, a legislative package addressing illegal mining (wildcatting) issues is under consideration within the Administration. In addition, the Department of the Interior is considering options addressing the area of remining.

4. **Question:** How does the Administration's proposal to change the distribution of mineral revenue in 1990 affect the FY 1989 budget assumption or proposal?

Answer: The proposal for net receipt sharing in FY 1990 had no effect on the FY 1989 budget assumptions for BLM.

5. **Question:** I note that the coal leasing program is to be reduced to "minimum levels" with a funding decrease of $3.5 million. What activities of the leasing program will be maintained?

Answer: The Bureau will process remaining preference right lease applications according to the recently amended order in Re. NRDC v. Berklund. Also, the Bureau will process lease-by-application sales, with priority attention to emergency lease applications. In addition, the Bureau will continue to issue coal exploration licenses. The Bureau will also conduct meetings of the regional coal teams (RCTs) to oversee coal leasing activities in their respective regions, as stipulated in their charters, and of the Federal-State Coal Advisory Board (FSCAB) to obtain a national perspective on coal leasing activities. To support this activity, the Bureau may conduct market analyses as necessary to monitor the state of the coal market and provide the analyses to the RCTs and the FSCAB for their consideration in helping to determine the course of the Federal coal leasing program in future years.

6. **Question:** How many coal leases are up for lease adjustments in FY 1989?

Does the Department anticipate continued challenges to the royalty readjustments in light of the Supreme Court's ruling in FMC Wyoming v. Donald Hodel?

Answer: For FY 1989 there are 30 Federal coal leases whose terms and conditions are subject to readjustment. At this time, all 30 leases are in varying stages of the readjustment process.

On December 8, 1987, following the ruling handed down by the Supreme Court in FMC Wyoming v. Donald Hodel the Bureau published proposed rulemaking that will no longer allow for the filing of objections or appeals to those routine and commonplace lease terms and conditions that are mandated by statute or required by regulation. The action of the supreme court as well as court findings that have been overwhelming in finding in favor of the Department's past actions in this regard, should serve to deter further challenges from Federal coal lessees.

QUESTIONS SUBMITTED BY SENATOR JOHNSTON
Minerals Management Service

1. I note that the Administration's proposed funding level includes an increase of $26.66 million in the appropriation for Payments to States. Part of this increase is due to a projected rise in oil, gas, and coal prices and average coal royalty rates.

Question: What assumptions were made with respect to increases in oil, gas, and coal prices?

Answer: The oil, natural gas, and coal price assumptions for FY 1988 and FY 1989 used in developing the mineral leasing receipt estimates for the FY 1989 President's Budget are shown below:

	FY 1988	FY 1989
Oil (per BBL)	18.77	19.51
Gas (per MCF)	1.74	1.82
Coal (per ton)	12.30	12.60

The oil and natural gas price assumptions are provided by the Office of Management and Budget. Future coal price projections are based on current prices on Federal production, current regional prices for all coal, future real price changes, and expected inflation.

Question: What assumptions were made with respect to increases in coal royalty rates?

Answer: The average coal royalty rate assumptions for FY 1988 and FY 1989 used in developing the mineral leasing receipt estimates for the FY 1989 President's Budget are 7.8 per cent and 9.0 per cent, respectively. The increase is primarily due to continued readjustment of leases which includes a change in the computation from a cents-per-ton to a percentage-of-value method.

Question: Did you make any assumptions on the effects of increases in prices and/or coal royalty rates on the rate of production for oil, gas and coal? If so, what were your assumptions?

Answer: While the general level of energy prices influenced the oil and gas production assumptions, the production estimates were influenced more strongly by the assumption that production from new fields would not fully offset declining production in old fields. Increases in coal prices and royalty rates had minimal impact on assumed rates of coal production.

Minerals Management Service

2. Question: During the last two fiscal years, how much was collected in civil penalities from leases within the 8(g) zone? Please provide this information by state.

Answer: To date no civil penalties have been levied against or collected from payors on offshore (and thus 8(g)) leases.

Question: How much was collected by the Federal Government in interest due to late payment of royalties on leases within the 8(g) zone? Please provide this information by State.

Answer:

3. Question: Which States and Tribes have entered into cooperative agreements with the Department under section 202 of the Federal Oil and Gas Royalty Management Act (FOGRMA)?

Answer: To date the MMS has entered into one cooperative agreement under Section 202 of FOGRMA. This agreement is with the Navajo Nation. The Bureau of Land Management (BLM) has a cooperative agreementfor inspections with the Ute Mountain Ute Tribe.

Question: How are audits under such cooperative agreements funded?

Answer: Under a Section 202 cooperative agreement, the Department of the Interior provides appropriated funds to the participating State or tribe on a dollar-for-dollar basis.

4. Question: Which States and Tribes have received delegations to conduct inspections, audits and investigations under section 205 of FOGRMA?

Answer: The MMS has delegated audit authority, under Section 205 of FOGRMA, to the States of: Alaska, California, Colorado, Montana, North Dakota, Oklahoma, Utah, and Wyoming. There are no delegations of inspection and investigation authority by BLM under Section 205.

Question: How are inspections, audits and investigations funded under such delegations?

Answer: Using appropriated funds, MMS reimburses a State for 100 percent of the costs of activities performed under a delegation of audit authority.

Minerals Management Service

Question: How much has the department expended in the last fiscal year for inspections, audits, and investigations under such delegations?

Answer: The Department expended about $2.15 million on Section 205 audit agreements and about $0.14 million on Section 202 cooperative agreements in FY 1987.

QUESTIONS SUBMITTED BY SENATOR JOHNSTON

Territorial and International Affairs

1. Question: Last year you proposed, and Congress approved, operations funding for the Republic of Palau which was insufficient to cover their entire Fiscal Year 1988 operations costs. It was assumed that the Compact of Free Association, and its funding, would be implemented before the shortfall was felt. However, Compact implementation has been delayed and Palau is expected to have to begin massive government layoffs next month.

I would request that the Department seek a reprogramming to cover Palau's operations costs for all of FY 88 ($3 million from the Palau Hospital project is an option).

It is important to remember that the same situation occurred in FY 87. Massive government layoffs had to be made which led to incidents of violence. That violence is hampering our efforts to approve the Compact.

Can the Committee expect your support on this reprogramming?

Answer: The Department is acutely aware of the recurring cash management problems of the government of the Republic of Palau. We are working with the government of Palau to assess its financial situation to determine whether or not there may be a shortfall in fiscal year 1988. An OTIA representative will be visiting Palau during the week of March 14 to obtain information on obligations and revenue collections and projections. If we determine that there will be a shortfall, the Department will work with Palau to minimize the effects of any shortfall. A reprogramming of hospital construction is not possible because the appropriations act for fiscal year 1988 provides a specific bill language demarcation between operations and construction funds. Construction funds could be made available for operations only through a re-appropriation of the funds by the Congress. We will look to other areas for possible reprogramming, and will be pleased to keep the Committee informed of our progress on this issue.

Territorial and International Affairs

3. Question: On December 30, 1987, one full year after Congress provided funding for additional OTIA personnel to be responsible for implementation of the Compact of Free Association, you wrote the Committee proposing that one person, already stationed in Guam, rotate through these areas on a regular basis. It is now March 1, and we understand that this individual has not yet made a single visit to the Freely Associated States. When can we expect some action?

Answer: There have been several visits by the Office of Territorial and International Affairs staff to the Freely Associated States within the past four months. Mr. Tommy Perez of our Guam office visited Truk on two occasions after the typhoon in November. Mr. Larry Morgan, Director of Legislative and Public Affairs, has visited the Marshall Islands on three occasions and the Federated States of Micronesia (Ponape and Kosrae) on one occasion. Trips have been taken by staff from the Trust Territory Transition Office and the Technical Assistance Office, as well. In addition, there is almost daily telephonic contact between our Guam office and officials of the governments of the Marshall Islands and the Federated States of Micronesia.

Staff has been rotated into Palau on a full-time basis since last September.

Territorial and International Affairs

4. Question: The Committee continues to get complaints regarding the response-time on technical assistance requests?

Answer: We believe that the complaints to which you refer are no longer justified. During the past few months, we have taken steps to correct deficiencies in our technical assistance program. Our response time on technical assistance requests continues to improve. Since December 22, when Congress approved the FY 1988 budget, we have issued 22 technical assistance grants for a total of $1,171,000. Final decisions have not been made on some technical assistance requests. For example, we are discussing action plans or project costs, as well as the possibility of participation by other agencies or departments. However, active consideration is being given to all technical assistance requests.

Question: What is the current backlog on these requests?

Answer: Several requests for technical assistance are under active consideration. While all have not resulted in the execution of an agreement, those in question require additional information and are being discussed with representatives of the respective governments. The submission of new requests is a continuing process. For example, the Federated States of Micronesia submitted a list of 35 new projects this past week.

Question: Is every effort being made to handle these requests promptly?

Answer: Yes. Technical assistance officials communicate regularly with the respective governments and their Washington representatives in order to respond to their questions and requests in a timely manner.

Territorial and International Affairs

5. Question: On a recent visit to the Freely Associated States by Committee Staff, it became clear that there is confusion regarding the terms of availability of technical assistance under section 226 of the Compact. It was the understanding of Congress and the FAS that the terms of availability would be determined on a case-by-case basis by the interagency task force on the Freely Associated States.

Would you please provided a solicitor's opinion in consultation with the Office of Freely Associated State Affairs, defining the process by which determinations on the terms of availability of technical assistance are to be made?

Answer: The Solicitor has been requested to prepare an opinion in consultation with the Office of Freely Associated State Affairs at the Department of State. It is also the Department's intent to pursue the matter further with other federal agencies within the Interagency Group on Freely Associated State Affairs (created under the authority of Executive Order No. 125569, October 16, 1986.)

Territorial and International Affairs

6. Question: I understand that the Freely Associated States have requested that the technical assistance programs of the Department of Education continue to be available on a non-reimbursable basis. What is the status of their request?

Answer: The request which was received by the Department of State was forwarded to the Department of Education for review. A response has been drafted and is under review by both the Department of State and the Department of Education. We anticipate a formal reply to be transmitted to the Freely Associated States by March 31.

It is the view of the Department of Interior, and of the Interagency Group on Freely Associated State Affairs that the Freely Associated States are eligible pursuant to Compact Section 226 to receive such technical assistance from the Department of Education. This section does not specify programs or appropriate funds, leaving those questions to individual determination and agreement by the Freely Associated State government and the requested agency.

The eligibility of the Freely Associated States for Department of Education assistance is not modified or limited by the provisions of section 105(i)(2), which relates to the continuation of Department of Education programs for the three year period after the effective date of the Compact.

Territorial and International Affairs

7. Question:	Under the terms of the Compact, the Kwajalein Atoll Development Authority (KADA) is authorized to receive loans from any Federal Agency. Has the Department consulted with KADA on which loan programs it would like to use? Has the Department assisted KADA in making the necessary applications? Have Federal agencies been cooperative in making loans available? What applications has KADA made? Would you please provide a solicitor's opinion, in consultation with the Office of Freely Associated State Affairs, defining the process by which determinations on the availability of loans to KADA are to be made?
Answer:	The Office of Territorial and International Affairs (OTIA) has consulted with KADA and endorses their efforts to leverage the $3.3 million in Compact funding to be received annually over the next 15 years. When officials of KADA attended appropriations hearings last May they requested and received the assistance of OTIA in setting up meetings with appropriate individuals in various federal agencies to pursue federal loans and grants authorized by Section 103(d)(3) of Public Law 99-239. The authority had identified some 19 projects, at a cost of $11.5 million it wished to pursue during the next year. OTIA has provided technical assistance to KADA in developing its plans and the operation of KADA and the operation of the local Ebeye government We are aware that officials of the Rural Electrification branch of the U.S. Department of Agriculture have been working with KADA on-loans for improvements to the power distribution facilities on Ebeye. A decision on the loan application is pending agreement on loan conditions. In addition, KADA has been in contact with the Department of Housing and Urban Development, the Farmers Home Administration, the Economic Development Administration, the Small Business Administration and the Department of Defense seeking support for additional loans or grants. While discussions continue, no Federal loans have been made available as of this time. As requested, the Solicitor has been asked to prepare an opinion, in consultation with the Office of Freely Associated State Affairs, on the issue of the process by which determinations are made on the availability of loans to KADA.

Senator Johnston
Office of Surface Mining Reclamation and Enforcement

1. Question: I note that a decrease of over $2 million is proposed for assessments and collections by the Office of Surface Mining Reclamation and Enforcement. This decrease apparently reflects completion of the development phase of the Applicant Violator System (AVS), used to identify individuals with outstanding violations, unpaid penalties, and unpaid AML fees. OSM has experienced serious difficulties in implementing the AVS in the past.

a. Why is appropriate to cut funding for the system at this point?
b. What assurances are there that AVS data is accurate and complete?
c. How current is OSM in identifying individuals with outstanding violations?
d. How current is OSM in identifying individuals with unpaid penalties?
e. How current is OSM in identifying individuals with unpaid AML fees?

Answer: By the end of FY 1988, the agency will have operated the initial Applicant Violator System (AVS) for one year. State regulatory authorities will have fully integrated AVS into their daily activities, many of the critical system enhancements will have been completed, and much of the data quality improvement project will be finished. The decrease in funding reflects the elimination of initial systems development cost from the program base. Funds requested are sufficient to make needed systems enhancements and operate and maintain the system efficiently.

Data quality problems with the AVS data base continue to affect operation of the system. Missing, inaccurate, and inconsistent data affect the performance of the system in matching owners and controllers with Federal violation, penalty, and fees information. A data quality improvement plan has been implemented to improve the quality of data over the next year. In the meantime, a review of each system report is being conducted as a quality control of any information provided by the system.

All requests for information from the system are processed within 24 hours of receipt of the inquiry. The system presently contains information on all outstanding Federal civil penalties and delinquent AML fees.

OSMRE is current in tracking all delinquent AML fees. A bill is sent to any operator who is more than thirty days delinquent in paying fees at the end of a quarter.

2. **Question:** I note that the Department has requested a decrease in funding of $1.2 million for the Coal Data Management Information System (CDMIS).

a. Please describe the objectives of the CDMIS.

b. What is the current status of development of the CDMIS?

c. Why is reduced funding appropriate at this time?

Answer: The Coal Data Management Information System (CDMIS) is a computer system which will consolidate surface coal mining and reclamation data presently maintained in several existing systems. The principal objective of CDMIS is to facilitate the operations of OSMRE in implementing SMCRA by establishing a single data support system which will provide data and information to Federal and State regulatory agencies for all aspects of SMCRA enforcement and implementation.

CDMIS is a multi-year effort which began in 1987 and will be completed in 1993. Plans call for a modular approach encompassing five major subsystems. These subsystems and their anticipated completion dates are:

1.	Decentralized Enforcement and Centralized Accounting (DECA) subsystem.	4/89
2.	Grants and Reclamation subsystem	5/89
3.	AML Fees subsystem	1/90
4.	Integration of AVS subsystem	6/90
5.	Bonds Management subsystem	7/91

The funds requested for Fiscal Year 1989 will allow for the development of the first two modules of CDMIS. Funding for the next phases of the system will be requested only after a comprehensive cost benefit analysis of the entire system has been completed later this fiscal year.

3. Question: What is the status of OSM's efforts to curb wildcat mining abuses?

o How prevalent is this problem?

Answer: Most wildcat mining activity is concentrated in Kentucky. In any given week, an estimated ten illegal operations are in progress at variousstages, with each affecting approximately three acres.

Under primacy, wildcatting is primarily a matter for State regulatory authorities to address. The Kentucky law, the most stringent in the country, assesses criminal penalties for wildcatting. Additional Federal funding will be applied to controlling wildcat mining by the State office as a result of funds appropriated to implement the recent settlement in National Wildlife Federation vs. Miller.

OSMRE and the State are seeking to render illegal mining unprofitable and to change its tacit acceptance by some local communities. Toward that end, OSMRE is reviewing tipple records during the conduct of AML fee audits to identify sales of wildcat coal on which fees have not been paid. Also, States are being encouraged to publicize the environmental damage that results from illegal mining.

QUESTIONS SUBMITTED BY SENATOR J. BENNETT JOHNSTON

Bureau of Mines

1. Question: What is the status of the sale of the Department's helium facilities?

   o How much does the Department expect to receive from the sale?

   o Is this a change from previous estimates?

   Answer: o The FY 1988 Budget proposed the sale of the Bureau of Mines helium facilities. However, P.L. 100-202 (the 1988 Continuing Resolution) includes bill language which states that the Bureau of Mines may not sell any of the helium facilities currently in operation during FY 1988. The Bureau of Mines contracted with J.R. Campbell and Associates to prepare a study to provide an estimate of the fair market value of the helium assets if the assets were sold. The contractor provided the Department with a final version of the study on March 14, 1988.

   In addition, the Bureau has begun to contact Federal helium user agencies including the Department of Energy, Department of Defense, NASA and NOAA. The concerns and comments from these user agencies are a key factor regarding the future disposition of the helium assets. Once the Bureau has completed its surveys of the Federal user agencies, the Secretary will make a determination as to how he wishes to proceed.

   o The FY 1989 budget estimates that $50 million could be derived from the sale of the helium assets. The actual proceeds from such a sale would be dependent on the value the private sector places on the facilities.

2. Question: I note that $3 million is proposed for partial cleanup of a radioactive site in Denver.

   o Why is this the Bureau's responsibility?

   o What is the situation at the site?

   Answer: o Under a cooperative agreement with the National Radium Institute, the Bureau of Mines operated a radium production facility in Denver from 1913 to 1918 . The production process captured some seventy percent of the radium generated at the facility, but the remaining radium, uranium, and other radionuclides were left on the property as waste. The Bureau activity with radium in Denver spurred a radium boom. A number of private firms began to produce radium in Denver in the period 1915-1920, but all operations ceased when Belgian Congo deposits were discovered in 1923. The radium industry in Denver was all but forgotten until the Environmental Protection Agency (EPA), as part of tracing the toxic waste problem with radioactive materials in New Jersey in 1979, found reference to the Bureau of Mines operation.

o EPA identified over thirty locations in Denver that are contaminated with radium processing waste. These 30 different sites were collectively listed as the Denver Radium Site on the National Priorities List of hazardous waste sites. The largest of the Denver properties is the Robinson Brickyard, where the National Radium Institute plant was located. The address of the property is 500 South Santa Fe Avenue. It is just west of downtown Denver and east of Interstate 25.

The Bureau of Mines admitted liability for the Robinson Brickyard and the contiguous portions of the Denver, Rio Grande and Western Railroad right-of-way in June 1987 because it was an operator of a facility that generated a hazardous waste. This admission was part of a settlement of a suit brought by the Robinson Brick Company. The Bureau is the responsible party liable for cleanup under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980. The Bureau is liable for the Robinson Brickyard only and has no link to the other Denver Radium properties.

The EPA issued a Record of Decision in September 1986 selecting removal of the radioactive wastes as the remedial action. The preferred option is removal and permanent disposal, but no disposal site has been approved in Colorado. The second option is removal and temporary storage. The engineering design for that option, temporary storage, has been prepared by United Nuclear Corporation (Grand Junction). It is expected to go to bid soon, with cleanup planned to begin in May 1988. Temporary on site cleanup should be completed by September 1988. Permanent disposal may not occur until 1991.

Two permanent disposal sites in the western part of the state near Grand Junction are being studied. It is not likely that a decision to provide a permanent disposal site will be made before the temporary cleanup and storage on site is implemented. There is a third permanent disposal site, at Clive, Tooele County, Utah, that has been licensed recently by the State of Utah. EPA is considering going there for permanent disposal of Robinson Brickyard radioactive waste.

3. Question: Why is the Spokane Research Center being purchased?

- o What is the total price?
- o When will the purchase be completed?

Answer:

- o Public Law 100-202 authorized the Bureau of Mines, "in consultation with the General Services Administration, to immediately enter into a two year lease purchase agreement for the Bureau of Mines research center located in Spokane, Washington." The Conference report on the Bureau of Mines' FY 1988 appropriation had authorized purchase of the Spokane Research Center and provided $700,000 to partially fund the purchase. It also directed that $400,000 included in the Bureau's budget for rent of the facility be used for this purpose. The amendment leading to this action originated in the Senate Appropriations Subcommittee, which estimated that the savings in rent would amortize the purchase price in about five years.

- o The Senate Appropriations Committee estimated the cost of the facility as $2.8 million, and provided that much in their bill. The Conference estimated the cost as $2.2 million, and provided about half the funds necessary to meet that price. Since there has been no recent appraisal of the facility, on March 1, 1988 the Bureau contracted with two appraisers to estimate the fair market value of the property, and expects those appraisals to be completed in early April. Following their completion, the appraisals will be turned over to the General Services Administration (GSA) to serve as a basis for negotiation with the owners of the facility.

- o Depending on the results of the appraisal, the results of GSA's negotiations with the owners, and the availability of funds, the purchase could be completed in the next 2 to 3 years.

Additional Questions from Senator Johnston

Bureau of Mines

1. Question: What is the level of funding for the Abandoned Mine Land Reclamation program research?

   - o How will the research plan under this program be developed?

   - o When and how will this plan be implemented?

   Answer: The level of funding for the Abandoned Mine Reclamation research for FY 1989 is remaining the same as FY 1988 at $1,900,000.

   The research plan has been developed and consists of:

   1) Research priorities established by a study contracted to the National Academy of Sciences completed in September 1987, as well as recommendations by the nine member Review Panel (established by Congress) at their meeting March 8-10, 1988.

   2) A solicitiation in the Commerce Business Daily for FY 1989 proposals to be issued in late April, 1988.

   3) A solicitation for in-house work to Bureau of Mines Research Centers in the same timeframe.

   4) A meeting of the Review Panel to select projects for funding about mid-August, 1988.

   The plan will be implemented according to the above schedule. When funding is made available by the Congress, projects will already have been selected, and the Division of Procurement will start negotiation on contract projects. Bureau of Mines projects can begin almost immediately.

2. Question: The Bureau of Mines request for FY 1989 includes an increase of $31 million for various programs such as mineral waste management and robotics. Yet the Bureau's total budget reflects a decrease of $19.8 million.

   - o What is the lower priority research that is being deemphasized?

   - o What level of funding will these programs receive?

   Answer: The $31 million figure does not represent a program increase; rather, it represents the total level of effort which the Bureau proposes to devote to continuing the high priority initiatives discussed in the General Statement of the Bureau's Budget Justification: Advanced Materials, Regulatory Issues, Waste Management and Recovery, Innovative Mining Systems, Robotics and Automation, Mineral Land Assessments, and Administrative Improvements.

The $19.8 million decrease reflects research efforts that will be successfully completed by the end of FY 1988; redirection of program activities created through a reorganization and changes in research initiatives and, no new funding for the Mineral Institutes, Generic Centers or the National Mine Land Reclamation Center.

A major research program in proof-of-concept testing will be completed at the end of FY 1988. Additional development is more properly conducted in the private sector.

The major redirection of program activities occurs in the Division of Health, Safety and Mining Technology. The pursuit of the Bureau's research into mining automation and robotics recognizes the fact that application of this new technology will generate substantial short- and long-term contributions to worker safety and mine efficiency. The Bureau has substantial, but still limited, resources considering the research efforts required in all program areas. The introduction of automation and robotic technology into the mines will provide improvements simultaneously in several different areas. For example, removing operators from face equipment will permit autonomous machines to advance further under unsupported roof. This will result in greater continuous production and reduce ventilation requirements. The Bureau's automation and robotic technology is designed to remove the miner from the hazards posed by harmful airborne contaminants such as coal and mineral dusts, which represent the primary focus of the Occupational Health research program.

Research in Environmental Technology has been completed in a number of areas, including the following:

- The viability of flame smelting for processing electric arc furnace dust and other wastes has been successfully completed and the technology has entered the industrial demonstration stage.

- Research on the reduction of waste volume by the removal of iron compounds has been completed.

- Techniques for the removal of suspended solids from placer mine waste water have been developed and transferred to the Alaskan mining community.

- Research on the recovery of sulfur from phosphogypsum wastes has been completed and successfully tested in the laboratory.

The Bureau of Mines will continue to perform high quality research in program areas where funds will be reduced in FY 1989. Estimated FY 1989 funding for these research activities totals $61.3 million. The technology that will be developed could result in significant reductions of health and safety risks and hazards for the Nation's miners. Funding associated with the discontinued efforts in Environmental Technology are being redirected to higher priority waste management research areas in FY 1989.

3. Question: Once again, the Department is seeking no funds for the Mineral Institute program.

- o The Department states that the majority of support for this program comes from non-Federal sources. Please supply documentation to support this statement.

- o The authorization for this program expires in FY 1989. Does the Department support reauthorization of the program?

Answer: o Allotment grants must be matched on the basis of 2 non-Federal dollars for each allotment grant dollar. Therefore, there must be a minimum of $8,850,000 in non-Federal funds available for the Mineral Institutes.

A survey conducted in 1984 showed that the total non-Federal operating funds available for mineral research and education at the Mineral Institute universities approached $100 million.

Buildings under construction or recently completed using non-Federal funds for mineral research and education include:

- $14 million Mineral Engineering Building at University of Missouri;

- $27 million Minerals and Materials Building at Michigan Tech (plus $10 million to equip that building);

- New wing totaling 65,000 square feet for the Departments of Geosciences and Geotechnical Engineering at Purdue;

- $5.7 million Mineral Processing Building at Montana Tech;

- $4.3 million Energy and Minerals Research Laboratory at University of Utah;

- $5.8 million Energy and Minerals Classroom Building at University of Utah;

- $18.5 million Mineral Research Building at University of Alabama;

- $7.8 million Mineral Institute and Geological Survey Builidng at University of Kentucky;

o The Department is developing its position regarding reauthorization of Mineral Institutes. The Department plans to present its position on March 22 in the hearing on H.R. 3977 (The Mining and Mineral Resources Research Institute Act) before the House Interior and Insular Affairs Subcommittee on Mining and Natural Resources.

BUDGET HEARING QUESTIONS

(Senator Johnston)

U.S. Geological Survey

1. I note that the coastal erosion program is scheduled to be discontinued in FY 1989.

   - What is the status of the program?

The U.S. Geological Survey (USGS) Coastal Erosion Program is providing accurate scientific information on coastal erosion processes. Based on field surveys and geologic research, results from these studies will help improve our ability to estimate the amounts of future erosion and assess the impacts of man's activities along the coasts.

The Program is composed of three primary studies:

(1) Louisiana Barrier Island Erosion and Wetland Loss:

The barrier island study is in the third year of this effort. Thus far a broad geologic data base has been compiled by researchers from the USGS as well as from the Louisiana Geological Survey and Louisiana State University (LSU). Included are quantitative data on storm overwash characteristics, sediment cores and geophysical data, data on waves and nearshore current, and digital bathymetric data from the 1850's to the present. Analyses of these data are underway and focused experiments on the effects of winter storms on the coast will be carried out this year. Results from these studies are expected to be used by the Corps of Engineers, New Orleans District, and state and local agencies to evaluate and assess the utility and impact of man's attempts to mitigate erosion.

The component dealing with wetlands loss started in FY 1988. A written plan of recommended study has been prepared by USGS and U.S. Fish and Wildlife Service (FWS) and following review by the Corps of Engineers and the Office of Management and Budget will be submitted to the Congress, probably during March 1988. Also planned for this year is compilation of existing data into a computer based information system and conduct of preliminary field surveys on wetlands processes, including subsidence and sea level rise, sediment dispersal, and rates of erosion and accretion.

(2) Southern Lake Michigan Coastal Erosion:

Following pilot field surveys last fall, the USGS started this year on a study of lake erosion processes in southern Lake Michigan. Data from that effort have been provided to the Corps of Engineers and Chicago City agencies. Working with the Illinois and Indiana Geological Surveys, the studies beginning in FY 1988 consist of geophysical surveys to map and characterize the geologic framework, studies of lake levels in the recent geologic past, and measurements of waves and currents that move nearshore sediment.

The results of these studies will be used to:

- determine areas that have been, and will continue to be impacted by erosion and flooding.

- design and evaluate mitigation strategies.

- and locate and quantify offshore sand deposits that might be suitable for shorelines nourishment.

(3) Great Lakes Regional Remapping:

As a result of recent high lake levels and widespread coastal erosion, maps and charts of the U.S. portion of the Great Lakes are out of date, inaccurate, and in many areas not of sufficiently large scale to meet Federal, state, and local needs. In the Great Lakes Shoreline Mapping Act of 1987, (P.L. 100-220) NOAA and the USGS have been authorized to prepare a written plan to remap and carry out geologic studies of high priority areas around all the U.S. Great Lakes. Working closely with the affected states, the plan will be completed by September 1988.

o If this program were to receive funding in FY 1989, what studies would be undertaken?

If funding of the USGS Coastal Program continues in FY 1989 at the same level of funding as in FY 1988, the studies underway in Louisiana and Lake Michigan would continue. In Louisiana, analysis of the data collected in the first 3 years of barrier island studies would continue and limited experiments to address very specific research needs would be carried out. Field surveys of contrasting wetlands basins (sediment rich vs. sediment poor) would be conducted and the data would be included in the computer data based system or geographic information system (GIS). Surveys offshore and along the coast of Lake Michigan would be carried out as an extension of studies begun in FY 1988.

Senator Ford
Office of Surface Mining Reclamation and Enforcement

1. Question:

I have a real concern that OSM is not applying consistent criteria in determining whether to credit sites submitted by the states for inclusion on the inventory. It looks to me as though we have a situation where the inventory has turned into a game where the rules are constantly changing, resulting in an intolerable degree of uncertainty with respect to levels of funding for various states.

o Why shouldn't the inventory be dropped as a basis for determining AML funding under these circumstances?

o What steps is OSM taking to ensure that consistent criteria are applied for evaluating sites for inclusion on the inventory?

Answer:

There are two basic ways of determining the distribution of abandoned mine land problems. One way is to inventory the problems, which the States have done, the other is to use past coal mining production records as an indicator where problemsmay exist. OSMRE weights both factors equally to allocate the discretionary portion of the grants. This approach helps balance any inequities that may result from relying entirely on one factor.

OSMRE is presently looking at the impact to each State if the inventory was dropped as a factor. This material will be shared with the States who will be meeting at the end of this month to discuss various allocation methods including ones which would exclude further use of the inventory as an allocation factor.

To make certain that State and Indian Tribe inventory submissions were processed in a consistent manner during the update, quality control procedures were developed to ensure that all submissions of data weresubjected to the same scope, depth of review, and were treated equally. Criteria used during this update process were documented in the August 1984 AML Inventory Update Manual and provided to all those involved prior to beginning the update in 1984. Steps taken to ensure that consistent criteria are applied include:

o Use of a manual containing the criteria.

o Field Office review and field verification of all submissions over $500,000 and a 5 percent sample of all others.

- National committee consistency review of all submissions over $500,000 and a 5 percent sample of all others.

- Due to concerns expressed this year over the inclusion of dangerous highwalls in the inventory, OSMRE is examining problem areas containing highwalls in the inventory and those rejected during the update process.

2. Question: I understand that almost one-third of the sites that the Commonwealth of Kentucky has submitted for inclusion in the inventory have been rejected by OSM.

o Why?

o Please provide a listing of the criteria that have been applied on a year-by-year basis for each year that the inventory has been used to determine AML fund allocations.

Answer: During the Field Office/National Committee process of reviewing submissions, many data forms are returned to the State or Tribe to correct missing data or errors. However, only a very small number of submissions are not eventually entered into the inventory. For example, during the update process 880 Kentucky Problem Area Data forms (PADS) were submitted to the National Committee and only 5 submissions initially rejected by the Committee were not resubmitted and accepted into the inventory.

The criteria used for accepting problem areas as "high priority" are very extensive and not easily summarized. The "AML Inventory Update Manual", dated August 1984, which contains the criteria and procedures for accepting problem areas as "high priority" will be provided to the Committee under separate cover. In addition, I have asked the Assistant Secretary for Land and Minerals Management to prepare technical briefings to explain the criteria to those who are interested.

3. Question: Am I correct in understanding that the most recent inventory that is the basis for the current broad fluctuations in funding is now closed?

o If so, does OSM intend to reopen the inventory?

o When will this decision be made?

Answer: In response to the States' requests for more stable grant allocations, OSMRE closed the inventory for allocations purposes following a one year update which provided time for States to submit remaining problems for inclusion in the inventory. The Association of Abandoned Mine Lands Programs (the national organization that represents the State AML programs) has recently met with OSMRE to discuss new or different ways of developing a fair and equitable allocation formula. The Association will meet at the end of this month to discuss options. OSMRE will attend this meeting and will work jointly with the States to develop a fair formula. One of the options being considered is dropping the inventory as an allocation factor altogether.

4. Question: Given the substantial problems with the inventory, will the Department alter the allocations for FY 1988?

Answer: Reallocation of fiscal year 1988 funds would be difficult halfway through the fiscal year. Funding has been allocated on a State by State basis and in some cases grants equal to this allocation have already been awarded. However, options for delaying the full discretionary grant share awards are being explored.

5. Question: I note that once again the Administration has proposed zero-funding the Rural Abandoned Mine Program. What is the justification for eliminating this program?

Answer: The most cost effective way of administering all aspects of the AML program is to rely on the State reclamation grants program as the primary delivery mechanism for all reclamation services. State programs have the capabilities to address various types of reclamation projects including those carried out under RAMP. In fact, some of the reclamation accomplished under the State programs are for rural lands. Furthermore, States have already established priorities and plans for accomplishing reclamation within their borders, including all sites that would be covered under RAMP.

By relying on the States for RAMP projects, duplicative efforts will be reduced, the highest priority projects will be assured to be addressed first, and the most feasible amount of reclamation will be accomplished in the most cost effective manner while minimizing funds spent on personnel and administrative overhead.

6. Question: What is the justification for proposing no new budget authority for small operator assistance payments? Please describe the activities undertaken under this program during the past fiscal year.

Answer: Small Operator Assistance Payments (SOAP) are authorized by Section 507(c) of the Surface Mining Control and Reclamation Act of 1977. SOAP allows the regulatory authority to assist eligible small operators in paying certain costs associated with obtaining hydrologic/geologic information that is needed to prepare coal mining permit applications. An eligible small mine operator is one whose actual and attributed coal production does not exceed 100,000 tons per year.

As was the case for Fiscal Year 1987, OSMRE anticipates that projected Fiscal Year 1988 carryover balances in the range of $1.2 million and projected recoveries of $1.1 million will be sufficient to support the program in 1989. It is estimated that Fiscal Year 1988 and Fiscal 1989 will parallel Fiscal Year 1987, when eight states applied for and received a total of $2.2 million for SOAP contracts.

Program demand has been very low for several years due to reduced coal production and few new small mine operations. Consequently, no new budget authority is requested for Fiscal Year 1989. Grants can and will continue to be awarded to States that require SOAP assistance.

Questions submitted by Senator Melcher

Bureau of Land Management

1. Question: The Geological Survey budget proposes a decrease of $1 million for geothermal investigations, and notes that the ability of the program to provide timely evaluations of the possible effects of geothermal development on thermal features of nearby National Parks will be diminished.

What effect will this have on BLM's geothermal leasing program?

Will geothermal leases be issued when evaluation of the impact on significant thermal features is unavailable?

Answer: The Geological Survey budget will not have any deleterious impact on the BLM's leasing program. Under existing statute BLM may not issue a geothermal lease until an evaluation is made of the impact on significant thermal features. BLM, therefore, will not issue any lease until the evaluation is completed. BLM has also prepared a decrease in the FY 1989 funding request for geothermal activities reflecting a significantly reduced demand for new geothermal leasing.

2. Question: The Department had stated in response to questions following a hearing last year on oil shale mining claims that the Department intended to issue proposed rulemaking defining various standards.

a. Does the Department still intend to propose such regulations?

b. If so, when will they be proposed?

Answer: Yes, the Department still intends to propose regulations to define the criteria to be applied in the determination of whether or not a discovery of a valuable oil shale deposit, within the meaning of the mining laws, has been made on each mining claim.

Draft proposed rulemaking on these issues is circulating within the Department now. We expect to propose these standards for public comment by April of this year.

QUESTIONS SUBMITTED BY SENATOR MELCHER
MINERALS MANAGEMENT SERVICE

1. The budget includes an increase totalling $4.36 million to fund the automation and centralization of onshore production reporting which allows the comparison of sales reports from royalty payors with production reports from lease operators.

Question: When do you expect to have this initiative completed?

Answer: The conversion of all onshore Federal and Indian lease operators to an automated and centralized production reporting system is being phased in and is scheduled for completion in May 1989. The schedule is, of course, subject to the availability of funding, including the FY 1989 increase, and assumes no major technical problems will be encountered.

2. I note that the request includes $0.25 million to compensate States and Indian Tribes when mineral leasing revenues are not disbursed within the time period required by statute.

Question: What are your assumptions relating to the number of late payments and the length of delay?

Answer: MMS has not made detailed assumptions about the number of late payments and the length of delay. The estimate of interest to be paid on late disbursements does assume that the timeliness of disbursements will improve as the result of ongoing and planned efforts, but that only relatively minor improvements are possible. In FY 1987, over 95 percent of disbursements to States from public land mineral leasing receipts were made on time; only about 1 percent was disbursed more than 1 month late and 0.5 percent more than 2 months late.

Question: For each of the preceding five fiscal years, please provide a listing of the amount of interest paid to States and Tribes due to late payments

Answer: The requirement to pay interest on late disbursements was contained in the Federal Oil and Gas Royalty Management Act of 1982, and became effective in FY 1984. The following table shows the amount of interest liability incurred for FY 1984 through FY 1988. It should be noted that interest on late disbursements to Indian accounts is transferred to the Bureau of Indian Affairs for distribtion to Indian tribes and allottees.

	FY 1984	FY 1985	FY 1986	FY 1987	1st Quarter FY 1988
			($ thousands)		
States	$ 540	$1,051	$ 433	$ 251	$ 49
Indians	91	103	20	2	1
TOTAL	631	1,154	453	253	50

3. Question: During the last two fiscal years, what are the total amounts of underpayments MMS audits have uncovered on Indian leases? Please list this information by Tribe.

Answer: Audit collections on Indian leases were about $3.3 million for FY 1986 and $1.5 million for FY 1987. These figures are further broken down by tribal collections of $1.8 million in FY 1986 and $0.9 million in FY 1987 and allottee collections of $1.5 million in FY 1986 and $0.6 million in FY 1987. Data on audit collections by specific tribe is not routinely maintained by MMS, but could be manually developed and provided to the Committee at a later date, if desired.

4. Question: During the last two fiscal years, what are the total amounts of underpayments MMS or State cooperative or delegated audits have uncovered on federal leases? Please list this information by State.

Answer: Audit collections on Federal leases are $67.8 million for FY 1986 and $28.4 million for FY 1987. The following table provides a breakout by State.

State	FY 1986	FY 1987
Alaska	$42,464,442	$ 0
Arizona	0	2,881
California	1,481,556	1,076,183
Colorado	4,596,314	7,855,147
Kansas	1,165	462
Louisiana	39,435	21,992
Mississippi	0	50,795
Missouri	0	199,363
Montana	517,770	908,207
Nevada	0	188,585
North Dakota	1,415,111	1,482,428
New Mexico	6,542,060	478,489
Ohio	655	0
Oklahoma	247,032	104,521
South Dakota	175,391	98
Texas	98,629	0
Utah	679,612	5,002,485
Wyoming	9,554,070	11,035,935

5. Question: I understand that MMS intends to undertake all future audits on a payor basis as opposed to a lease-by-lease basis. What is the rationale for this?

When do you expect to complete an audit of all federal onshore and Indian leases?

Answer: MMS's audit strategy places primary emphasis on a major company audit approach to maximize audit coverage for revenues from Federal and Indian mineral leases on a 6-year cycle. The audit strategy also includes the dedication of resources to audit smaller payors on a sample basis and to respond to specific lease and/or issue audits that are individually requested by Indian tribes and allottees as well as referrals from the Bureau of Land Management, Bureau of Indian Affairs, and other MMS offices.

The company audit approach represents an efficient and effective way to obtain high levels of audit coverage and the efficient utilization of available audit resources. Each company usually retains its records of oil and gas production, sales, and royalties paid at one or more central accounting offices. Thus, a company audit begins with a systematic review to test the accuracy and validity of the payor's automated or manual reporting systems, and proceeds with a sample of lease months designed to ensure effective coverage of the payor's entire lease universe. If problems are encountered in the payor's royalty calculations, additional lease months can be reviewed or MMS may direct the payor to recalculate royalties on all affected leases to correct the problem. The company approach also compliments the payor level reporting and payment of mineral revenues to the Auditing and Financial System (AFS).

Utilizing this approach for major companies, MMS expects to provide audit coverage to about 95 percent of the mineral revenue universe over the 6-year audit cycle. Smaller payors are subject to audit through sample selection, through requests or refunds, and through leads developed during audits of other companies.

6. Question: What is the Status of implementation by the Department of Pub. L. No. 100-234 relating to the payment of certain royalties under NTL-5?

Answer: Several actions are taking place to implement Public Law 100-234. On February 29, 1988, MMS sent a letter to all payors to explain the new law. Along with each letter, MMS sent a copy of the February 25, 1988, Federal Register Notice to inform lessees and royalty payors of the provisions of the Act and implementation instructions. Regional seminars for royalty payors and other interested parties began on February 23 of this year covering the implementation of both Public Law 100-234 and the new product value regulations.

Questions Submitted by Senator McClure

FY88 Budget Assumptions

1. Question: Would you provide for the record a fiscal year 1988 baseline table by Bureau indicating for each appropriations account --

   a. the budget authority and estimated outlays as appropriated by the Congress;

   b. any proposed rescissions or deferrals; and

   c. any anticipated supplemental appropriations.

   Answer: a. the budget authority and estimated outlays as appropriated by the Congress are provided on the following table;

   b. no rescissions or deferrals have been proposed, and

   c. no supplemental appropriations are anticipated.

DEPARTMENT OF THE INTERIOR
FY 1988 Budget Authority and Outlays for accounts subject to appropriations under the cognizance of the Senate Energy and Natural Resources Committee
(In thousands of dollars)

Bureau/Account	Budget Authority	Outlays
Bureau of Land Management		
Management of lands and resources	498,983	435,496
Construction and access	3,430	4,215
Payments in lieu of taxes	105,000	105,008
Oregon and California grant lands	58,475	55,976
Land acquisition	8,885	7,539
Range improvements	8,506	8,109
Service charges, deposits and forfeitures	6,600	4,845
Working capital fund	0	-2,515
Miscellaneous trust funds	100	63
Total, Bureau of Land Management	689,979	618,736
Minerals Management Service		
Minerals and royalty management	168,717	165,159
Payments to states from receipts under Mineral Leasing Act	0	0
Total, Minerals Management Service	168,717	165,159
Office of Surface Mining Reclamation and Enforcement		
Regulation and technology	102,125	99,540
Abandoned mine reclamation fund	199,380	224,546
Total, Office of Surface Mining Reclamation and Enforcement	301,505	324,086
Bureau of Reclamation		
Construction program	703,716	644,698
Loan program	32,309	-70,986
General investigations	16,590	19,386
Emergency fund	1,000	1,182
Operation and maintenance	151,000	149,838
General administrative expenses	51,690	53,627
Working capital fund	0	22,587
Total, Bureau of Reclamation	956,305	820,332

DEPARTMENT OF THE INTERIOR
FY 1988 Budget Authority and Outlays for accounts subject to appropriations under the cognizance of the Senate Energy and Natural Resources Committee
(In thousands of dollars)

Bureau/Account	Budget Authority	Outlays
Geological Survey		
Surveys, investigations and research........................	447,747	446,483
Exploration of national petroleum reserve in Alaska..........	0	303
Total, Geological Survey............................	447,747	446,786
Bureau of Mines		
Mines and minerals..	146,398	147,414
Helium fund..	0	-3,495
Total, Bureau of Mines..............................	146,398	143,919
National Park Service		
Operation of the national park system........................	730,799	723,342
National recreation and preservation..........................	12,935	14,451
Road construction...	0	266
Construction...	88,317	112,208
Urban park and recreation fund.................................	-1,133	2,798
Illinois and Michigan canal national heritage-corridor commission...	250	225
Jefferson national expansion memorial commission..	0	7
Land acquisition...	60,749	166,460
National park system visitor facilities fund...	4,700	1,125
Planning, development & operation of recreation facilities..	0	81
Historic preservation fund..	28,250	29,875
Construction (trust fund)...	[31,000]	16,800
Total, National Park Service......................	924,867	1,067,638
Office of Territorial and International Affairs		
Administration of territories......................................	78,235	72,990
Trust Territory of the Pacific Islands........................	41,940	54,173
Compact of free association......................................	33,620	33,620
Total, Territorial & International Affairs..	153,795	160,783

DEPARTMENT OF THE INTERIOR
FY 1988 Budget Authority and Outlays for accounts subject to appropriations under the cognizance of the Senate Energy and Natural Resources Committee
(In thousands of dollars)

Bureau/Account	Budget Authority	Outlays
Office of the Secretary		
Salaries and expenses	47,519	44,823
Special foreign currency program	0	3,234
Construction management	1,800	1,726
Total, Office of the Secretary	49,319	49,783
Office of the Solicitor		
Office of the Solicitor	23,053	22,851
Total, Office of the Solicitor	23,053	22,851
Office of Inspector General		
Office of Inspector General	17,757	17,928
Total, Office of Inspector General	17,757	17,928

DEPARTMENT OF THE INTERIOR
FY 1988 Budget Authority and Outlays for accounts subject to appropriations under the cognizance of the Senate Energy and Natural Resources Committee
(In thousands of dollars)

Bureau/Account	Budget Authority	Outlays
Bureau of Land Management	498,983	435,496
Minerals Management Service	168,717	165,159
Office of Surface Mining Reclamation and Enforcement	301,505	324,086
Bureau of Reclamation	1,064,072	1,064,072
Geological Survey	447,747	446,786
Bureau of Mines	146,398	143,919
National Park Service	924,867	1,067,638
Territorial and International Affairs	153,795	160,783
Office of the Secretary	49,319	49,783
Office of the Solicitor	23,053	22,851
Office of Inspector General	17,757	17,928
Total, Energy and Natural Resources Committee	3,796,213	3,898,501

2. **Question:** For each rescission, deferral or supplemental appropriation indicated in question 62, would you provide for the record its justification and status?

Answer: Not applicable because no rescissions or deferrals have been proposed and no supplemental appropriations are anticipated.

FY89 Budget Request

3. **Question:** Would you provide for the record a fiscal year 1989 appropriations account baseline table, indicating the request (a) made for each program by the Bureau of the Secretary, (b) made by the Department to OMB, and (c) included in the President's proposed budget?

Answer: The requested data is provided on the following table.

DEPARTMENT OF THE INTERIOR
FY 1989 Budget History Table for accounts
subject to appropriations under the cognizance of the
Senate Energy and Natural Resources Committee
(in thousands of dollars)

Bureau/Account/Activity/Sub-activity	Request to Department	Request to OMB	Request to Congress
BUREAU OF LAND MANAGEMENT			
Management of Lands and Resources			
Energy and Minerals Management			
Fluid Energy Minerals			
Oil & Gas Leasing	47,000	47,284	45,537
Geothermal Leasing	2,649	2,664	1,633
Subtotal, Fluid energy minerals	49,649	49,948	47,170
Solid Energy Minerals			
Coal Leasing	13,823	13,903	9,959
Oil Shale and Tar Sands leasing	0	0	0
Subtotal, Solid energy minerals	13,823	13,903	9,959
Non-Energy Minerals			
Mineral Material Sales	2,354	2,469	2,447
Mining Law Administration	10,600	11,363	11,366
Mineral Leasing	4,000	4,023	3,933
Uranium operations	659	663	646
Subtotal, Non-Energy Minerals	17,613	18,518	18,392
Subtotal, Energy and Minerals Management	81,085	82,369	75,521
Lands and Realty Management			
Realty Operations			
Rights-of-Way (Energy Realty)	6,894	6,943	6,769
Lower 48 lands program (Non-energy realty)	17,528	17,637	15,711
Alaska Lands program	11,844	12,164	12,318
Subtotal, Realty operations	36,266	36,744	34,798
Withdrawal Processing and Review	3,000	3,022	1,048
Subtotal, Lands and Realty Management	39,266	39,766	35,846
Renewable Resources Management			
Forest Mengagement			
Public Domain	6,814	6,850	6,778
Western Oregon	0	0	0
Subtotal, Forest Management	6,814	6,850	6,778

DEPARTMENT OF THE INTERIOR
FY 1989 Budget History Table for accounts
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Bureau/Account/Activity/Sub-activity	Request to Department	Request to OMB	Request to Congress
Range Management			
Wild Horse & Burro Management	10,241	10,270	7,513
Grazing Management	33,870	34,074	33,924
Subtotal, Range Management	44,111	44,344	41,437
Soil, Water, & Air Management	13,468	13,784	13,479
Hazardous Materials	6,888	6,888	12,408
Wildlife and Fish Habitat	10,927	11,591	10,882
Threatened and Endangered Species	4,400	4,000	4,000
Recreation Management			
Cultural Resources Management	6,172	7,108	6,249
Wilderness Management	7,411	7,952	7,854
Recreation Resources Management	9,536	9,758	10,069
Subtotal, Recreation Management	23,119	24,818	24,172
Fire Management	9,305	9,347	9,406
Subtotal, Renewable Resources Management	119,032	121,622	122,562
Planning and Data Management			
Planning	9,505	9,566	9,462
Data Management	53,291	53,384	39,225
Subtotal, Planning and Data Management	62,796	62,950	48,687
Cadastral Survey			
Alaska	11,408	11,447	11,545
Other States	12,538	12,605	12,335
Subtotal, Cadastral Survey	23,946	24,052	23,880
Fire Control			
Firefighting & Presuppression	52,076	66,576	49,153
Rehabilitation	2,000	2,500	3,000
Subtotal, Firefighting and Rehabilitation	54,076	69,076	52,153
Technical Services			
Resource Protection	3,431	3,572	3,530

DEPARTMENT OF THE INTERIOR
FY 1989 Budget History Table for accounts
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Senate Energy and Natural Resources Committee
(in thousands of dollars)

Bureau/Account/Activity/Sub-activity	Request to Department	Request to OMB	Request to Congress
Maintenance and engineering service			
Buildings	4,468	4,485	4,430
Recreation	5,403	5,421	5,368
Transportation	4,742	4,757	4,751
Engineering services	1,197	1,205	1,227
Subtotal, Maintenance and engineering services	15,810	15,868	15,776
Subtotal, Technical Services	19,241	19,440	19,306
General Administration			
Executive and managerial direction	5,831	5,922	5,673
Equal employment opportunity	2,253	2,269	2,193
Administrative services support	33,195	33,447	32,731
Bureauwide fixed costs	48,459	48,694	45,935
Subtotal, General Administration	89,738	90,332	86,532
Total, Management of Lands and Resources	489,180	509,607	464,487
Construction and Access			
Construction			
Building construction	12	5,512	0
Recreation Construction	0	0	0
Transportation	0	0	0
Access	1,344	1,349	1,338
Total, Construction and Access	1,356	6,861	1,338
Payments in Lieu of Taxes			
Payments to Local Governments	140,000	140,000	105,000
Total, Payments in Lieu of Taxes	140.000	140,000	105,000
Oregon & California Grant Lands			
Construction and Acquisition	556	558	450
Maintenance	3,758	3,769	3,677
Renewable Resource Management	48,678	48,894	49,476
Planning and Data Management	3,828	3,833	3,831
Total, Oregon & California Grant Lands	56,820	57,054	57,434

DEPARTMENT OF THE INTERIOR
FY 1989 Budget History Table for accounts
subject to appropriations under the cognizance of the
Senate Energy and Natural Resources Committee
(in thousands of dollars)

Bureau/Account/Activity/Sub-activity	Request to Department	Request to OMB	Request to Congress
Land Acquisition			
Bureau of Land Management:			
Acquisitions	0	100	0
Acquisition Management	100	0	100
Total, Land Acquisition	100	100	100
Recreation Development & Operations of Recreation Facilities			
Base Program	0	0	0
Range Improvement Fund			
Improvement to Public Lands	6,956	6,956	6,956
Farm Tenant Act Lands	950	950	950
Administrative expenses	600	600	600
Total, Range Improvements	8,506	8,506	8,506
Service Charges, Deposits, and Forfeitures			
Rights-of-way Processing	2,100	2,100	1,700
Adopt-a-horse program	500	500	400
Repair of Damaged Lands	650	650	650
Cost recoverable realty cases	150	150	150
Timber contract expenses	1,500	1,500	1,400
Copy fees	1,700	1,700	1,700
Total, Service Charges, Deposits, and Forfeitures	6,600	6,600	6,000
Trust Funds			
Miscellaneous Trust Funds Current, Indefinite	100	100	100
Total, Bureau of Land Management	702,662	728,828	642,965

DEPARTMENT OF THE INTERIOR
FY 1989 Budget History Table for accounts
subject to appropriations under the cognizance of the
Senate Energy and Natural Resources Committee
(in thousands of dollars)

Bureau/Account/Activity/Sub-activity	Request to Department	Request to OMB	Request to Congress
MINERALS MANAGEMENT SERVICE			
Leasing and Royalty Management			
Outer Continental Shelf			
Leasing and environmental program....................	39,457	39,457	39,074
Resource evaluation program..........................	23,613	23,613	23,022
Regulatory program...................................	29,957	29,957	29,200
Subtotal, Outer Continental Shelf Lands..........	93,027	93,027	91,296
Royalty management			
Mineral revenue collections..........................	18,761	18,761	17,738
Mineral revenue compliance...........................	15,100	15,100	14,701
Systems development and operation....................	20,183	20,183	20,166
Interest on late payments............................	0	0	0
Interest on refunds..................................	0	0	0
Subtotal, royalty management.....................	54,044	54,044	52,605
General administration			
Executive direction..................................	3,606	3,606	3,550
Administrative operations............................	10,160	10,160	10,044
General support services.............................	12,835	13,063	13,822
Subtotal, general administration.................	26,601	26,829	27,416
Total, Leasing and Royalty Management............	173,672	173,900	171,317
Payments to States			
Miscellaneous payments.................................	600	600	600
Total, Payments to States........................	600	600	600
Total, Minerals Management Service...............	174,272	174,500	171,917

DEPARTMENT OF THE INTERIOR
FY 1989 Budget History Table for accounts
subject to appropriations under the cognizance of the
Senate Energy and Natural Resources Committee
(in thousands of dollars)

Bureau/Account/Activity/Sub-activity	Request to Department	Request to OMB	Request to Congress
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT			
Regulation and Technology			
State Regulatory Program Grants	42,910	42,910	41,910
Federal Regulatory Programs			
Regulatory program operations	25,168	25,272	20,403
Kentucky settlement agreement	0	0	4,425
Technical services, training and research	14,031	14,093	13,532
Assessments and collections	10,829	10,860	8,764
Subtotal, Federal Regulatory Programs	50,028	50,225	47,124
General Administration			
Executive direction	1,794	1,825	1,769
Administrative support	10,947	10,995	5,674
General services	4,351	4,454	4,589
Subtotal, General Administration	17,092	17,274	12,032
Total, Regulation and Technology	110,030	110,409	101,066
Abandoned Mine Reclamation Fund			
State Reclamation Program Grants	200,000	150,660	129,660
Federal Reclamation Programs			
Fee compliance	5,622	5,653	5,548
Reclamation program operations	23,727	23,782	19,055
Rural abandoned mine program	0	0	0
Subtotal, Federal Reclamation Programs	29,349	29,435	24,603
Small Operator Assistance	0	0	0
General Administration			
Executive direction	886	897	872
Administrative support	3,625	3,642	1,703
General services	2,279	2,329	2,256
Subtotal, General Administration	6,790	6,868	4,831
Total, Abandoned Mine Reclamation Fund	236,139	186,963	159,094
Total, Office of Surface Mining Reclamation and Enforcement	346,169	297,372	260,160

DEPARTMENT OF THE INTERIOR
FY 1989 Budget History Table for accounts
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(in thousands of dollars)

Bureau/Account/Activity/Sub-activity	Request to Department	Request to OMB	Request to Congress
BUREAU OF RECLAMATION			
Loan Program			
Loan Program	26,895	11,561	19,022
Proposed for later transmittal			(7,099)
Total, Loan Program	26,895	11,561	11,923
Construction Program			
Construction Program	775,720	723,183	698,236
General Investigations			
Plan Formulation & Advance Planning	6,500	15,130	12,286
Engineering & Research	0	0	0
Funds Required for Program Redirection	0	0	0
Total, General Investigations	6,500	15,130	12,286
Emergency Fund			
Emergency Fund	1,000	1,000	1,000
Operation and Maintenance			
Operation & Maintenance of Facilities	169,824	169,824	163,534
Associated Operations & Maintenance Programs	19,993	19,993	19,697
Total, Operations and Maintenance	189,817	189,817	183,231
General Administrative Expenses			
General Administrative Expenses	47,703	51,197	50,313
Working Capital Fund			
Working Capital Fund	12,900	12,900	7,900

DEPARTMENT OF THE INTERIOR
FY 1989 Budget History Table for accounts
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Bureau/Account/Activity/Sub-activity	Request to Department	Request to OMB	Request to Congress
Colorado River Dam Fund, Boulder Canyon Project			
Colorado River Dam Fund, Boulder Canyon Project........	0	0	(2,485)
Total, Bureau of Reclamation.....................	1,060,535	1,004,788	962,404

DEPARTMENT OF THE INTERIOR
FY 1989 Budget History Table for accounts
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Senate Energy and Natural Resources Committee
(in thousands of dollars)

Bureau/Account/Activity/Sub-activity	Request to Department	Request to OMB	Request to Congress
GEOLOGICAL SURVEY			
Surveys, Investigations, and Research			
National Mapping, Geography and Surveys			
Primary mapping and revision	36,505	36,968	35,618
Digital Cartography	13,327	13,496	13,248
Small intermediate and special mapping	15,193	12,840	12,500
Advanced cartographic systems	17,718	17,719	17,719
Earth resources observation system	7,121	7,176	7,118
Cartographic and geographic information	3,717	3,893	3,837
Side looking airborne radar	0	0	0
Subtotal, National Mapping, Geography and Survey	93,581	92,092	90,040
Geologic and Mineral Resource Surveys and Mapping			
Geologic hazards surveys			
Earthquake hazards reduction	33,616	32,745	32,335
Volcano Hazards	11,040	11,148	11,050
Landslide hazards	2,212	2,244	2,203
Subtotal, Geologic hazards surveys	46,868	46,137	45,588
Geologic framework and processes			
National geologic mapping	18,972	17,734	17,403
Deep continental studies	3,075	3,095	3,074
Geologic framework	0	0	0
Geomagnetism	1,747	1,778	1,745
Climate change	1,041	1,053	1,037
Coastal erosion	1,500	0	0
Subtotal, Geologic framework and processes	26,335	23,660	23,259
Offshore geologic surveys	25,544	28,354	28,193
Mineral resource surveys	49,313	45,470	46,265
Energy geologic surveys	27,991	25,367	24,462
Subtotal, Geologic and Mineral Resource Surveys	176,051	168,988	167,767
Water Resources Investigations			
Federal Program	73,670	76,100	72,138
Federal-State program	60,364	58,374	55,914
Water resources research institutes, grants	9,742	5,304	5,279
Subtotal	143,776	139,778	133,331

DEPARTMENT OF THE INTERIOR
FY 1989 Budget History Table for accounts
subject to appropriations under the cognizance of the
Senate Energy and Natural Resources Committee
(in thousands of dollars)

Bureau/Account/Activity/Sub-activity	Request to Department	Request to OMB	Request to Congress
General Administration	16,457	16,925	16,438
Facilities	15,056	17,408	17,427
Adjustment for GSA rental	3,711		
FERS Reestimate			
Total, Surveys, Investigations & Research	448,632	435,191	425,003
Total, Geological Survey	448,632	435,191	425,003

DEPARTMENT OF THE INTERIOR
FY 1989 Budget History Table for accounts
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Bureau/Account/Activity/Sub-activity	Request to Department	Request to OMB	Request to Congress
BUREAU OF MINES			
Mines and Minerals			
Information and Analysis:			
Minerals and Materials Information	12,405	12,046	0
Mineral and Materials Data Analysis	22,564	22,372	0
Mineral Commodities			10,616
International Minerals			3,347
Policy Analysis			4,734
Resource Evaluation			14,833
Subtotal, Minerals Information and Analysis	34,969	34,418	33,530
Research:			
Minerals and Materials Technology	36,797	32,575	0
Mining research			
Technology for Competitive Mining		17,522	0
Health and Safety Technology		25,301	0
Mining Technology	55,597	0	0
Health, Safety, and Mining Technology			37,735
Minerals and Materials Science			23,440
Environmental Technology			9,160
Subtotal, Mining Research	55,597	42,823	70,335
Subtotal, Minerals Research	92,394	75,398	70,335
Mineral Institutes	3,000	0	0
General Administration	19,310	20,937	19,340
Facilities	0	0	400
ROBCO Settlement	0	3,000	3,000
Total, Mines and Minerals	149,673	133,753	126,605
Total, Bureau of Mines	149,673	133,753	126,605

DEPARTMENT OF THE INTERIOR
FY 1989 Budget History Table for accounts
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Bureau/Account/Activity/Sub-activity	Request to Department	Request to OMB	Request to Congress
NATIONAL PARK SERVICE			
Operation of the National Park System			
Park Management			
Management of park areas	67,077	66,039	65,347
Concessions management	5,135	5,135	5,085
Interpretation and Visitor Services	74,161	73,983	88,649
Visitor protection and safety	68,357	67,990	65,935
United States Park Police	36,852	36,530	39,751
Maintenance	259,446	257,941	245,950
Resources management	107,690	107,686	123,305
Informational publications	4,959	4,959	3,698
International Park Affairs	452	452	476
Volunteers-in-parks	1,000	1,000	750
Enhanced park operations	18,500	18,500	0
Subtotal, Park Management	643,629	640,215	638,946
Forest Fire Suppression and Rehabilitation	1,319	6,319	5,819
Park Recreation and Wilderness Planning			
Water resources	2,939	2,939	2,932
General management plans	1,688	1,688	2,264
Subtotal, Park Recreation & Wilderness Planning	4,627	4,627	5,196
Statutory and Contractual Aid			
Roosevelt Campobello International Park Commission	408	408	424
Ice Age National Scientific Reserve	573	573	573
Lowell Historic Preservation Canal Commission	572	572	565
Mary McLeod Bethune NHS	199	199	199
Martin Luther King Jr. Center	199	199	199
Subtotal, Statutory and Contractual Aid	1,951	1,951	1,960
General Administration			
Central office	6,566	7,662	9,664
Regional office	18,028	15,983	14,518
Automatic data processing	7,379	7,455	7,421
Employee compensation payment	7,020	6,826	6,826
Servicewide administrative support	10,354	10,344	10,744

DEPARTMENT OF THE INTERIOR
FY 1989 Budget History Table for accounts
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Bureau/Account/Activity/Sub-activity	Request to Department	Request to OMB	Request to Congress
General services	390	390	390
GSA space rental	15,000	15,000	15,500
Executive direction	6,980	6,980	6,577
Unemployment compensation for federal employees	8,500	8,350	8,350
Public Affairs	1,877	1,877	1,857
Subtotal, General Administration	82,094	80,867	81,847
Total, Operation of the National Park System	733,620	733,979	733,768
National Recreation and Preservation			
Recreation Programs	309	310	299
Natural Programs	584	584	569
National Register	7,492	7,491	7,377
Environmental and Compliance Review	434	434	425
Grant Administration	1,606	1,606	1,534
Total, National Recreation and Preservation	10,425	10,425	10,204
Historic Preservation Fund			
Grants-in-aid	0	0	0
National Trust for Historic Preservation	0	0	0
Total, Historic Preservation Fund	0	0	0
Construction			
Advance Planning	5,963	3,463	1,316
Emergency and Unscheduled Projects	8,800	13,300	2,000
Project Planning	8,708	6,708	5,053
Line Item Construction Projects	19,518	19,518	6,634
Total, Construction	42,989	42,989	15,003

DEPARTMENT OF THE INTERIOR
FY 1989 Budget History Table for accounts
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Bureau/Account/Activity/Sub-activity	Request to Department	Request to OMB	Request to Congress
Land Acquisition and State Assistance			
Assistance to States			
Matching grants	0	0	0
Administrative expenses	3,452	3,452	3,383
National Park Service			
Acquisitions	6,100	6,100	6,100
Acquisition managment	6,565	6,565	6,296
Pinelands National Reserve	0	0	0
Total, Land acquisition and state assistance	16,117	16,117	15,779
Construction (Trust Fund)			
Base program (transfer from DOT)	[0]	[0]	[31,000]
Visitors Facilities Fund			
Visitors Facilities Fund	[0]	[2,500]	[0]
Land and Water Conservation Fund			
Rescission of contract authority	0	0	0
Proposed for later transmission	0	0	(30,000)
Total, Land Acquisition (Contract Authority)	0	0	(30,000)
Total, National Park Service	803,151	803,510	744,754

DEPARTMENT OF THE INTERIOR
FY 1989 Budget History Table for accounts
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Bureau/Account/Activity/Sub-activity	Request to Department	Request to OMB	Request to Congress
TERRITORIAL AND INTERNATIONAL AFFAIRS			
Administration of Territories			
Guam			
Construction grants	3,000	2,700	1,700
Subtotal, Guam	3,000	2,700	1,700
American Samoa			
Operations grants	20,776	20,776	20,776
Construction grants	3,000	2,700	1,000
Subtotal, American Samoa	23,776	23,476	21,776
Northern Marianas			
Covenant grants	40,150	40,150	40,150
Construction grants, other	0	0	0
Subtotal, Northern Marianas	40,150	40,150	40,150
Virgin Islands			
Virgin Islands construction grant	2,000	3,100	1,100
Virgin Islands grants	0	0	0
Virgin Islands loan	0	0	0
College of the Virgin Islands Development Grant	0	0	0
Subtotal, Virgin Islands	2,000	3,100	1,100
Territorial Administration			
Office of Territorial Affairs	3,362	3,428	3,046
Technical Assistance	2,200	2,200	2,200
Guam power authority loan assistance	1,505	1,505	1,505
Disaster Contingency Fund	1,000	500	0
Subtotal, Territorial Administration	8,067	7,633	6,751
Total, Administration of Territories	76,993	77,059	71,477

DEPARTMENT OF THE INTERIOR
FY 1989 Budget History Table for accounts
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Bureau/Account/Activity/Sub-activity	Request to Department	Request to OMB	Request to Congress
Trust Territory of the Pacific Islands			
Operations			
Trust Territory operations	0	0	0
Federated States of Micronesia	0	0	0
Republic of the Marshall Islands	0	0	0
Republic of Palau Operations	0	0	0
Subtotal, Operations	0	0	0
Construction			
Capital Improvements	0	0	0
Capitol Relocations	0	0	0
Subtotal, Construction	0	0	0
Enewetak support	0	0	0
Bikini resettlement	0	0	0
Trust Territory Government Deficit Elimination	18,000	18,000	0
Indefinite Land Use Claims	0	2,780	2,780
Micronesian War Claims	24,600	0	0
Total, Trust Territory of the Pacific Islands	42,600	20,780	2,780
Micronesian War Claims			
Micronesian War Claims	0	16,400	0
Compact of Free Association			
Compact of Free Association	35,500	35,500	34,935
Enewtak Support	0	0	0
Enjebi Trust Fund	0	0	0
Bikini	0	0	0
Prior Service Benefits Trust Fund	0	0	0
Capitol Relocation	0	0	0
Total, Compact of Free Association	35,500	35,500	34,935
Total, Territorial Affairs	155,093	149,739	109,192

DEPARTMENT OF THE INTERIOR
FY 1989 Budget History Table for accounts
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Bureau/Account/Activity/Sub-activity	Request to Department	Request to OMB	Request to Congress
OFFICE OF THE SECRETARY			
Office of the Secretary			
Departmental Direction			
Immediate Office	2,136	2,202	1,726
Executive Secretariat	539	521	454
Cong. & Legis. Affairs	1,317	1,296	1,227
Equal Opportunity	1,561	1,356	1,331
Public Affairs	848	867	847
Small & Disadvantaged Business Utilization	455	423	516
Subtotal, Departmental Direction	6,856	6,665	6,101
Program Direction and Coordination			
A/S Water and Science	801	819	674
A/S Land and Minerals Management	966	968	928
A/S Fish and Wildlife and Parks	762	785	647
A/S Indian Affairs	772	792	649
A/S Territorial and International Affairs	547	560	538
A/S Policy, Budget and Administration	760	786	837
Subtotal, Program Direction and Coordination	4,608	4,710	4,273
Policy, Budget and Administration			
Environmental Project Review	2,977	2,802	2,008
Acquisition & Property Management	1,815	1,739	1,597
Personnel Management	1,652	1,817	1,646
Administrative Services	1,450	957	1,337
Library	1,641	1,411	1,361
Information Resources Management	3,376	2,591	2,855
Management Analysis	959	1,668	952
Policy Analysis	3,550	3,100	2,833
Budget Office	1,737	1,756	1,523
Budget Execution	383	384	0
Financial Management	1,208	1,401	1,263
Law Enforcement & Security Management	0	519	0
Subtotal, Administration	20,748	20,145	17,375
Hearings and Appeals	6,337	6,226	5,853
Office of Aircraft Services	1,774	1,796	1,799
Central Services	16,065	15,641	16,280
Total, Office of the Secretary	56,388	55,183	51,681

DEPARTMENT OF THE INTERIOR
FY 1989 Budget History Table for accounts
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Senate Energy and Natural Resources Committee
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Bureau/Account/Activity/Sub-activity	Request to Department	Request to OMB	Request to Congress
Construction Management			
Salaries and expenses	2,026	2,000	1,800
Total, Construction Management	2,026	2,000	1,800
Special Foreign Currency Program			
Salaries and expenses	0	0	0
Total, Special Foreign Currency Program	0	0	0
Total, Office of the Secretary	58,414	57,183	53,481

DEPARTMENT OF THE INTERIOR
FY 1989 Budget History Table for accounts
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(in thousands of dollars)

Bureau/Account/Activity/Sub-activity	Request to Department	Request to OMB	Request to Congress
OFFICE OF THE SOLICITOR			
Office of the Solicitor			
Legal Services	21,360	21,981	21,601
General Administration	3,434	3,688	3,724
Total, Office of the Solicitor	24,794	25,669	25,325
Total, Office of the Solicitor	24,794	25,669	25,325

DEPARTMENT OF THE INTERIOR
FY 1989 Budget History Table for accounts
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Bureau/Account/Activity/Sub-activity	Request to Department	Request to OMB	Request to Congress
OFFICE OF THE INSPECTOR GENERAL			
Office of the Inspector General			
Audit	14,015	12,890	12,465
Investigations	3,747	2,984	2,920
Administration	3,838	3,480	3,431
Total, Office of the Inspector General	21,600	19,354	18,816
Total, Office of the Inspector General	21,600	19,354	18,816

DEPARTMENT OF THE INTERIOR
FY 1989 Budget History Table for accounts
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(in thousands of dollars)

Bureau/Account/Activity/Sub-activity	Request to Department	Request to OMB	Request to Congress
DEPARTMENT OF THE INTERIOR			
Bureau of Land Management	702,662	728,828	642,965
Minerals Management Service	174,272	174,500	171,917
Office of Surface Mining Reclamation and Enforcement	346,169	297,372	260,160
Bureau of Reclamation	1,060,535	1,004,788	962,404
Geological Survey	448,632	435,191	425,003
Bureau of Mines	149,673	133,753	126,605
National Park Service	803,151	803,510	744,754
Territorial Affairs	155,093	149,739	109,192
Office of the Secretary	58,414	57,183	53,481
Office of the Solicitor	24,794	25,669	25,325
Office of the Inspector General	21,600	19,354	18,816
Total, Department of the Interior	3,944,995	3,829,887	3,540,622

4. **Question:** Would you provide for the record a table by Bureau for each appropriations account indicating--

a. any assumptions regarding carryover of fiscal year 1988 appropriations into fiscal year 1989?

b. any proposed or anticipated supplemental appropriations?

Answer: a. A table displaying carryover into fiscal year 1989 is provided as the following table;

b. no supplemental appropriations have been proposed or are anticipated.

DEPARTMENT OF THE INTERIOR

Carryover balances FY 1989, start-of-year, for accounts subject to appropriations under the cognizance of the Senate Energy and Natural Resources Committee

(In thousands of dollars)

Bureau/Account	Total Carryover Balance	From FY 1988 New BA	All other
Bureau of Land Management			
Management of lands and resources	4,660	0	4,660
Construction and access	390	390	0
Payments in lieu of taxes	0	0	0
Oregon and California grant lands	2,430	2,430	0
Land acquisition	3,000	1,500	1,500
Range improvements	1,058	1,058	0
Recreation development and operation of recreation facilities	19	0	19
Service charges, deposits, and forfeitures	7,289	680	6,609
Working capital fund	12,246	0	12,246
Miscellaneous trust funds	0	0	0
Total, Bureau of Land Management	31,092	6,058	25,034
Minerals Management Service			
Minerals and royalty management	0	0	0
Payments to states from receipts under Mineral Leasing Act	0	0	0
Total, Minerals Management Service	0	0	0
Office of Surface Mining Reclamation and Enforcement			
Regulation and technology	0	0	0
Abandoned mine reclamation fund	1,200	328	872
Total, Office of Surface Mining Reclamation and Enforcement	1,200	328	872
Bureau of Reclamation			
Construction program	0	0	0
Loan program	0	0	0
General investigations	0	0	0
Emergency fund	0	0	0

DEPARTMENT OF THE INTERIOR

Carryover balances FY 1989, start-of-year, for accounts subject to appropriations under the cognizance of the Senate Energy and Natural Resources Committee

(In thousands of dollars)

Bureau/Account	Total Carryover Balance	From FY 1988 New BA	All other
Operation and maintenance	0	0	0
General administrative expenses	0	0	0
Lower Colorado River Basin development fund	1,201	0	1,201
Upper Colorado River Basin fund	1,529	0	1,529
Colorado River dam fund, Boulder Canyon project	0	0	0
Working capital fund	0	0	0
Total, Bureau of Reclamation	2,730	0	2,730
Geological Survey			
Surveys, investigations and research	0	0	0
Exploration of national petroleum reserve in Alaska	100	0	100
Total, Geological Survey	100	0	100
Bureau of Mines			
Mines and minerals	0	0	0
Helium fund	20,256	0	20,256
Total, Bureau of Mines	20,256	0	20,256
National Park Service			
Operation of the national park system	0	0	0
National recreation and preservation	0	0	0
Road construction	0	0	0
Construction	42,710	32,710	10,000
Urban park and recreation fund	0	0	0
Illinois and Michigan canal national heritage-corridor commission	0	0	0
Jefferson national expansion memorial commission	0	0	0
Land acquisition	357	0	357
National park system visitor facilities fund	0	0	0

DEPARTMENT OF THE INTERIOR

Carryover balances FY 1989, start-of-year, for accounts subject to appropriations under the cognizance of the Senate Energy and Natural Resources Committee

(In thousands of dollars)

Bureau/Account	Total Carryover Balance	From FY 1988 New BA	All other
Planning, development and operation of recreation facilities	0	0	0
Historic preservation fund	0	0	0
Construction (trust fund)	27,292	26,992	300
Total, National Park Service	70,359	59,702	10,657
Office of Territorial and International Affairs			
Administration of territories	10,267	0	10,267
Trust Territory of the Pacific Islands	41,896	0	41,896
Compact of free association	75,824	0	75,824
Micronesian claims fund, TTPI	0	0	0
Total, Territorial and International Affairs	127,987	0	127,987
Office of the Secretary			
Salaries and expenses	0	0	0
Special foreign currency program	0	0	0
Construction management	0	0	0
Miscellaneous expiring accounts	29	0	29
Working capital fund	0	0	0
Total, Office of the Secretary	29	0	29
Office of the Solicitor			
Office of the Solicitor	0	0	0
Total, Office of the Solicitor	0	0	0
Office of Inspector General			
Office of Inspector General	0	0	0
Total, Office of Inspector General	0	0	0

DEPARTMENT OF THE INTERIOR
Carryover balances FY 1989, start-of-year, for accounts subject to appropriations under the cognizance of the Senate Energy and Natural Resources Committee

(In thousands of dollars)

Bureau/Account	Total Carryover Balance	From FY 1988 New BA	All other
Bureau of Land Management	31,092	6,058	25,034
Minerals Management Service	0	0	0
Office of Surface Mining Reclamation and Enforcement	1,200	328	872
Bureau of Reclamation	2,730	0	2,730
Geological Survey	100	0	100
Bureau of Mines	20,256	0	20,256
National Park Service	70,359	59,702	10,657
Office of Territorial and International Affairs	127,987	0	127,987
Office of the Secretary	29	0	29
Office of the Solicitor	0	0	0
Office of Inspector General	0	0	0
Total, Department of the Interior	253,753	66,088	187,665

5. Question: Would you provide for the record a list of any assumptions in the President's proposed budget that require legislation? In each case would you--

   a. provide a statement of purpose;

   b. provide the proposed language (if available) or indicate if, or when, the Administration intends to transmit such language to the Congress

   c. indicate whether, in the judgement of the Administration, such legislation would be sought from the Energy and Natural Resources committee or as a rider on an appropriations act.

BUREAU OF LAND MANAGEMENT

Federal Land Policy and Management Act, P.L. 95-352

a. The authorization for appropriations expired on September 30, 1982.

b. No decisions have been made on the nature of any proposed language.

c. The Energy and Natural Resources Committee is the appropriate jurisdiction.

MINERALS MANAGEMENT SERVICE

Interest on Refunds

a. Would allow MMS to pay interest on funds held by MMS pending resolution of administrative appeal or judicial review.

b. and c. On August 11, 1987, the Acting Assistance Secretary - Land and Minerals Management sent letters to the Speaker of the House of Representatives and to the President of the Senate transmitting a draft bill that included proposed language that would authorize payment of interest on refunds. The Administration recommends consideration of this bill by the Congress, and encourages the Committee's support.

FISH AND WILDLIFE SERVICE

Endangered Species Act, 16 U.S.C. 1542

a. The authorization for appropriations expired on September 30, 1985.

b. A reauthorization bill passed the House and is pending in the Senate. The Administration supports a simple reauthorization without amendments.

c. The Environment and Public Works Committee has jurisdiction over the Endangered Species Act.

Marine Mammal Protection Act, 16 U.S.C. 1361

a. The authorization for appropriations expires on September 30, 1988.

b. The Administration is developing proposed reauthorization language and intends to transmit that language to the Congress in early to mid-April, 1988.

c. The Commerce, Science, and Transportation Committee has jurisdiction over the Marine Mammals Protection Act.

NATIONAL PARK SERVICE

John F. Kennedy Center for the Performing Arts, 20 U.S.C. 76

a. To authorize appropriations necessary for operation and maintenance of the Center.

b. Language has been included in prior year appropriations bills. The same language has been proposed for 1989. Draft reauthorization bills for the Kennedy Center have been submitted by the Administration for the last 5 years, but no action has been taken by the Congress on these measures.

c. Language in the appropriations act is the appropriate method because this has become the standard procedure for reauthorizing funds in the absence of authorizing committee action.

Land and Water Conservation Fund Contract Authority, 16 U.S.C. 4601-4

a. To rescind permanent contract authority in the Land and Water Conservation Fund Act.

b. Language has been included in prior year appropriations bills. The same language has been proposed for 1989. A draft bill to rescind this contract authority was transmitted to the 100th Congress by the Administration on March 19, 1987.

c. Language in the appropriations act or separate authorizing legislation are both appropriate methods.

FISH AND WILDLIFE SERVICE

- Sport Fish Restoration

Federal Aid in Fish Restoration Act of 1950, (16 U.S.C. 777-777k) commonly called the Dingell-Johnson or D-J Act (Payments to States). The purpose of this Act is to assist the States, Puerto Rico, Guam, the Virgin Islands, Northern Mariana Islands, American Samoa and the District of Columbia in carrying out projects to restore, enhance, and manage sport fishery resources. The program is funded from excise taxes on fishing equipment, a portion of the gasoline taxes paid by motorboat users, and import duties on fishing equipment and pleasure boats. After making deductions for administrative expenses, the remainder is apportioned to the States in accordance with a formula contained in the Act which distributes 40 percent of the funds based on the area of each State and 60 percent on the number of paid fishing license holders in each State. Puerto Rico receives one percent of the total funds apportioned and Guam, the Virgin Islands, the Northern Mariana Islands, American Samoa, and the District of Columbia each receive one-third of one percent.

- Federal Aid in Wildlife Restoration Act

Commonly called the Pittman-Robertson or P-R Act, (16 U.S.C. 66-669i). The purpose of this Act is to assist the States, Puerto Rico, Guam, the Virgin Islands, Northern Mariana Islands, American Samoa and the District of Columbia in carrying out projects to restore, enhance, and manage wildlife resources, and to conduct State hunter education programs. Funds to support the program are derived from the 11 percent excise tax on firearms, ammunition and archery equipment, and the 10 percent tax on pistols and revolvers. After making deductions for administrative expenses, the remainder is apportioned to the States in accordance with a formula contained in the Act which distributes 50 percent on the number of paid hunting license holders in each State. Puerto Rico receives one-half of one percent and Guam, the Virgin Islands, American Samoa, and the Northern Mariana Islands each receive one-sixth of one percent of the total funds apportioned. Additional funds are apportioned to the States for hunter education based on population.

- National Wildlife Refuge Fund

In accordance with 16 U.S.C. 715s, the Service remits payments to counties in which Service lands are located (revenue sharing or payments in lieu of taxes). Funding for these payments is derived from revenues received from the sale of products from Service lands less expenses for producing the revenue-creating commodities and less expenses for activities related to the revenue sharing function. Annual funding is also requested through the appropriations process.

Canaveral National Seashore, 16 U.S.C. 459j8(b)

a. Increasing the development ceiling is necessary to allow funding for the proposed construction project (construction of 24 self-contained vault-type toilets).

b. The proposed change in the development ceiling is contained in appropriations language contained in the President's Budget. We are developing a proposal to authorize the required development ceiling increase.

c. A separate authorizing bill raising the development ceiling would be appropriate.

BUREAU OF RECLAMATION

San Luis Valley Project, P.L. 92-514, P.L. 96-375

a. An increase in the authorized appropriation ceiling is required to utilize all but $3.6 million of the 1989 budget request.

b. The Administration is in the process of developing proposed language, which will be transmitted to the Congress when available.

c. The Energy and Natural Resources Committee is the appropriate jurisdiction.

6. Question: Certain Federal statutes specifically specify the Federal and State apportionment of certain collection, revenues, etc. Implementation of a sequester under the Gramm-Rudman-Hollings could alter the apportionments of such funds. Would you provide for the record --

a. a list of such collection and distributions, indicating their statutory authority;

BUREAU OF LAND MANAGEMENT

- Payments to Oklahoma (royalties).

  In accordance with 65 Stat. 252, the State of Oklahoma is paid 37 1/2 percent of the Red River oil and gas royalties in lieu of State and local taxes on Kiowa, Comanche, and Apache Tribal lands. These funds are to be used for construction and maintenance of public roads and support of public schools. The 1988 and 1989 payments are estimated at $6,000.

- Payments to Coos and Douglas counties, Oregon, receipts from Coos Bay Wagon Road grant lands.

  In accordance with 54 Stat. 753-754, payments in lieu of taxes are made to Coos and Douglas counties out of receipts from the reconveyed Coos Bay Wagon Road grant lands in Oregon. These payments are used for schools, roads, highways, bridges, and port districts and are paid at the same ad valorem tax rate as private lands. The 1988 and 1989 payments are estimated at $580,000.

- Payments to counties, Oregon and California grant lands.

  In accordance with 39 Stat. 218 and 50 Stat. 876, as modified annually by the Interior Department Appropriations Acts, 50 percent of the receipts to the Oregon and California grant land fund are paid to the counties in which the lands are situated, to be used as other county funds. The 1988 and 1989 estimated payments are $71,400,000 based on estimated timber receipts and other revenue from these lands (both BLM and Forest Service managed O&C Lands are included).

- Payments to States (proceeds of sales).

  In accordance with the Interior Department Appropriations Act of 1952 (P.L. 82-136), the States are paid 5 percent of the net proceeds (4 percent of gross proceeds) from the sale of Public Land and Public Land products. These payments are to be used for educational purposes or the construction of public roads and improvements. The 1988 estimated payment is $772,000. The estimated decrease in 1989 payments of $16,000 results primarily from a projected decline in receipts from land sales related to projected land sales program levels and estimated revenue derived from sales of lands and other products.

- Payments to States from grazing receipts, etc., public lands outside grazing districts.

In accordance with the Taylor Grazing Act of 1934 (43 U.S.C. 3151 and 315m), the States are paid 50 percent of the grazing fee receipts from Public Lands outside of organized grazing districts. The 1988 and 1989 estimated payments are $985,000. The 1989 Estimate is based on a grazing fee of $1.35/AUM for the 1988 grazing year. However, after the Budget was developed, a new grazing fee $1.54/AUM for the grazing year starting on March 1, 1988, was announced. The estimated payments will have to be recalculated accordingly.

- Payments to States from grazing receipts, etc., public lands within grazing districts.

In accordance with the Taylor Grazing Act of 1934 (43 U.S.C. 315b and 315i), the States are paid 12 1/2 percent of the grazing fee receipts from lands within organized grazing district boundaries. The 1988 and 1989 estimated payments are $1,514,000. The 1989 Estimate is based on a grazing fee of $1.35/AUM for the 1988 grazing year. However, after the Budget was developed, a new grazing fee of $1.54/AUM for the grazing year starting on March 1, 1988, was announced. The estimated payments will have to be recalculated accordingly.

- Payments to States from grazing receipts, etc., public lands within grazing districts, miscellaneous.

In accordance with 43 U.S.C. 315, the States are paid specifically determined amounts from grazing fee receipts from miscellaneous lands within grazing districts when payment is not feasible on a percentage basis. The 1988 and 1989 estimated payments are $3,000. The 1989 Estimate is based on a grazing fee of $1.35/AUM for the 1988 grazing year. However, after the Budget was developed, a new grazing fee of $1.54/AUM for the grazing year starting on March 1, 1988, was announced.

- Payments to Alaska, National Petroleum Reserve

In accordance with 94 Stat. 1964, Alaska is paid 50 percent of the receipts from sales, bonuses, royalties, and rentals resulting from the leasing of oil and gas in the National Petroleum Reserve in Alaska for use in planning, construction, maintenance, and operation of essential public facilities and other necessary provisions of public service. The 1988 and 1989 estimated payments are $1,350,000 based on receipts from rental.

- Payments to counties, National Grasslands.

In accordance with 7 U.S.C. 1012, 25 percent of the revenues received from the use of National Grasslands, including mineral leasing, is paid to the counties in which such lands are located. These funds are used for schools and roads. The 1988 and 1989 estimated payments are $500,000 from receipts on BLM managed areas.

- Expenses, road maintenance deposits.

6b. Question: A table indicating by State the fiscal year 1988 and 1989 distribution that would occur.

Answer: The following table shows 1987 actual, 1988 and 1989 estimates of distributed payments from BLM receipts by state.

Payments of Bureau of Land Management Receipts to States, Fiscal Year 1987 Actual, 1988 and 1989 Estimates

State	1987 Actual	1988 Estimate	1989 Estimate
Alabama............	405	405	405
Alaska.............	1,423,471	1,067,000	1,067,000
Arizona............	28,723	28,720	28,720
California.........	264,337	264,340	248,340
Colorado...........	171,082	171,100	171,100
Florida............	45	50	50
Idaho..............	243,997	244,000	244,000
Kansas.............	10	10	10
Minnesota..........	271	270	270
Montana............	704,641	704,640	704,640
Nebraska...........	3,068	3,100	3,100
Nevada.............	533,117	533,100	383,100
New Mexico.........	832,506	832,510	832,510
North Dakota.......	7,206	7,200	7,200
Oklahoma...........	6,651	6,700	6,700
Oregon.............	73,047,503	73,047,500	73,047,500
South Dakota.......	52,632	52,605	52,605
Utah...............	231,786	231,800	231,800
Washington.........	28,730	28,730	28,730
Wisconsin..........	16	20	20
Wyoming............	652,192	652,200	652,200
TOTAL	$78,232,389	$77,876,000	$77,710,000

6b. a table indicating by State the fiscal year 1987 and 1988 distributions that would occur;

Answer: Tables which indicate the estimated distributions by State in FY 1988 and 1989 follow: however, the FY 1989 National Wildlife Refuge Fund apportionment to counties is not available at this time because accurate estimates by State cannot be developed until actual payments are made to counties. (in early 1989)

Public Law 94-579 (FLPMA) (43 U.S.C. 1762(c)) provides for the permanent appropriation of money collected from commercial road users in lieu of user maintenance. Receipts are appropriated to BLM for road maintenance. Applicable roads are normally subject to heavy, continuous use by several users. Mainline timber access roads in western Oregon fall into this category. Monies collected on Oregon and California grant lands are available for those lands only (43 U.S.C. 1735(b)), excluding $150,000, which is earmarked for administrative expenses. The 1988 and 1989 estimated collections are $6,500,000. These funds are not included in the table in part b. of this question since they are not distributed to the State.

- Payments to Nevada from receipts on land sales.

Public Law 96-586 (Burton-Santini Act) of 1980 authorized and directed the sale of up to 700 acres of certain lands in Clark County, Nevada and the acquisition of environmentally sensitive lands in the Lake Tahoe Basin. The Act directed that 5 percent of the annual proceeds realized from the sale of such lands be returned to the county or municipality in which the land sale occurred. The funds returned to the State are to be used for the State's general education program, and the monies returned to the county or municipality are to be used for acquisition and development of recreational lands and facilities. The 1988 estimate payment is $750,000. The 1989 estimated decrease of $150,000 in payments to Nevada results from a projected decrease in receipts from the sale of lands in Clark County due to an anticipated decrease in per acre value of land to be offered.

- Payments for proceeds, sale of water.

Section 40(d) of the Mineral Leasing Act of 1920 (30 U.S.C. 229(a)) provides that when lessees or operators drilling for oil or gas on public lands strike water, water wells may be developed by the Department from the proceeds from sale of water from existing wells.

Funds derived from such proceeds have been consistently recommended for deferral each year by the Administration.

MINERALS MANAGEMENT SERVICE

- Payments to States from Receipts under Mineral Leasing Act

In accordance with 30 U.S.C. 191 et seq. (the Mineral Lands Leasing Act of 1920, as amended), all States (except Alaska) are paid 50 percent of the receipts from bonuses, royalties, and rentals resulting from the leasing of mineral resources under the Act, on public lands. Alaska is paid 90 percent of the receipts from leasing outside of the National Petroleum Reserve-Alaska (NPRA). This appropriation provides for monthly payments to all States for their share of revenues realized as a result of mineral leasing activities on Federal lands within their boundaries.

Response to 6b. (continued)

FISH AND WILDLIFE SERVICE

WILDLIFE RESTORATION

State/Territory	FY 1987 Actual Obligations	(Amounts) in 000's) Estimated Obligations FY 1988 Carryover	New BA	FY 1989	1989 State Estimated % of Total Based on Program Formula
ALABAMA	1933	365	1579	1898	1.558
ALASKA	4623	252	4563	5605	4.602
ARIZONA	2431	538	1963	2684	2.204
ARKANSAS	1796	0	1790	1958	1.607
CALIFORNIA	4102	357	3848	4461	3.663
COLORADO	2617	0	2674	2872	2.358
CONNECTICUT	812	335	450	561	.461
DELAWARE	637	11	623	561	.461
FLORIDA	2082	0	2065	1880	1.543
GEORGIA	2427	36	2450	2389	1.961
HAWAII	637	637	634	561	.461
IDAHO	2021	692	1168	2285	1.876
ILLINOIS	2229	880	1337	2064	1.694
INDIANA	1895	212	1620	1598	1.312
IOWA	1776	90	1694	1793	1.472
KANSAS	1956	27	1988	2141	1.757
KENTUCKY	1809	49	1784	1759	1.544
LOUISIANA	2215	292	1876	2097	1.822
MAINE	1214	144	1091	1288	1.057
MARYLAND	1100	0	1080	780	.640
MASSACHUSETTS	1026	58	916	561	.461
MICHIGAN	3784	645	3319	4175	3.528
MINNESOTA	2854	34	3022	3185	2.615
MISSISSIPPI	1748	97	1679	1833	1.498
MISSOURI	2819	1153	1798	2954	2.425
MONTANA	2917	0	3021	3447	2.830
NEBRASKA	1661	694	1036	1886	1.648
NEVADA	1883	431	1520	2153	1.768
NEW HAMPSHIRE	634	6	628	561	.461
NEW JERSEY	1044	43	941	585	.480
NEW MEXICO	2269	588	1785	2663	2.186
NEW YORK	3395	41	3403	3547	2.912
NORTH CAROLINA	2202	0	2205	2049	1.682
NORTH DAKOTA	1433	97	1380	1580	1.397
OHIO	2411	583	1840	2313	1.899
OKLAHOMA	2047	48	1939	2025	1.663
OREGON	2602	402	2287	2922	2.399
PENNSYLVANIA	4453	75	4377	4765	3.912
RHODE ISLAND	637	89	545	561	.461
SOUTH CAROLINA	1338	0	1343	1235	1.014
SOUTH DAKOTA	1704	835	933	1931	1.585
TENNESSEE	2703	0	2730	2728	2.240
TEXAS	5012	620	4306	5615	4.610
UTAH	1987	0	2022	2239	1.838
VERMONT	708	0	641	569	.467
VIRGINIA	2364	205	2191	2280	1.872
WASHINGTON	2231	649	1534	2123	1.743
WEST VIRGINIA	1379	22	1377	1486	1.226
WISCONSIN	3256	687	2511	3487	2.863
WYOMING	2056	174	1893	2298	1.387
AMERICAN SAMOA	179	24	187	187	.154
DISTRICT OF COLUMBIA	0	0	0	0	0
GUAM	179	5	206	187	.154
N. MARIANA ISLANDS	179	35	176	187	.154
PUERTO RICO	443	4	460	561	.461
VIRGIN ISLANDS	179	0	211	187	.154
UNDISTRIBUTED	9125	0	5189	9500	7.800
TOTAL	117,153	13,261	101,828	121,800	100.00

Response to 6b. (continued)

FISH AND WILDLIFE SERVICE

SPORT FISH RESTORATION

	FY 1987 Actual Obligations	(Amounts in 000's) Estimated Obligations			1989 State Estimated % of Total Based on Program Formula
		FY 1988			
		Carryover	New BA	FY 1989	
ALABAMA.........	2,367	8	2,631	3,112	1.596
ALASKA..........	7,005	347	7,438	9,250	4.745
ARIZONA.........	3,050	96	3,297	4,032	2.068
ARKANSAS........	2,356	1,010	1,742	3,271	1.678
CALIFORNIA......	7,005	2,514	5,271	9,250	4.745
COLORADO........	3,463	473	3,419	4,625	2.373
CONNECTICUT.....	1,401	396	1,161	1,850	949
DELAWARE........	1,401	105	1,452	1,850	949
DISTRICT........	467	182	337	617	316
FLORIDA.........	3,127	747	2,750	4,156	2.132
GEORGIA.........	2,824	291	2,856	3,740	1.969
HAWAII..........	1,401	1,018	539	1,850	949
IDAHO...........	2,438	145	2,487	3,128	1.605
ILLINOIS........	3,176	1,412	1,873	3,904	2.005
INDIANA.........	2,232	1,173	1,277	2,912	1.494
IOWA............	2,054	567	1,709	2,705	1.388
KANSAS..........	2,047	646	1,659	2,740	1.406
KENTUCKY........	2,234	409	2,162	3,056	1.568
LOUISIANA.......	2,303	442	2,054	2,966	1.525
MAINE...........	1,401	760	797	1,850	949
MARYLAND........	1,401	860	697	1,850	949
MASSACHUSETTS...	1,401	410	1,147	1,850	949
MICHIGAN........	5,133	1,484	4,351	6,934	3.557
MINNESOTA.......	5,152	166	5,463	6,686	3.430
MISSISSIPPI.....	1,966	199	1,961	2,567	1.317
MISSOURI........	3,573	124	3,902	4,784	2.454
MONTANA.........	3,148	400	3,121	4,184	2.146
NEBRASKA........	1,790	1,156	903	2,447	1.255
NEVADA..........	2,196	1,557	839	2,848	1.461
NEW HAMPSHIRE...	1,401	893	664	1,850	949
NEW JERSEY......	1,401	684	873	1,850	949
NEW MEXICO......	2,530	236	2,572	3,337	1.712
NEW YORK........	3,462	0	3,941	4,683	2.402
NORTH CAROLINA..	2,027	516	1,746	2,689	1.380
NORTH DAKOTA....	1,533	1	1,689	2,009	1.031
OHIO............	3,746	1,907	2,218	4,902	2.555
OKLAHOMA........	2,708	604	2,307	3,460	1.775
OREGON..........	3,280	633	3,094	4,429	2.272
PENNSYLVANIA....	3,370	80	3,825	4,641	2.381
RHODE ISLAND....	1,401	1,132	425	1,850	949
SOUTH CAROLINA..	1,599	177	1,584	2,093	1.074
SOUTH DAKOTA....	1,661	282	1,611	2,250	1.154
TENNESSEE.......	2,604	467	2,302	3,290	1.688
TEXAS...........	7,005	5	7,780	9,250	4.745
UTAH............	2,333	291	2,316	3,098	1.589
VERMONT.........	1,401	865	692	1,850	949
VIRGINIA........	2,113	665	1,775	2,900	1.488
WASHINGTON......	3,214	1,355	2,171	4,190	2.149
WEST VIRGINIA...	1,401	42	1,515	1,850	949
WISCONSIN.......	4,964	1,055	4,306	6,370	3.268
WYOMING.........	2,165	0	2,379	2,827	1.450
PUERTO RICO.....	1,401	585	972	1,850	949
GUAM............	467	30	489	617	316
VIRGIN ISLANDS..	467	0	519	617	316
AMERICAN SAMOA..	467	50	469	617	316
MARIANA ISLANDS.	467	324	195	617	316
Undistributed	2,598	0	5,373	9,760	5.002
TOTAL	142,698	31,976	129,097	194,760	100.000

Response to 6b.(continued)

FISH AND WILDLIFE SERVICE

PAYMENTS TO COUNTIES - NATIONAL WILDLIFE REFUGE FUND

(Dollar amounts in thousands)

	FY 1988 Actual Payments
ALABAMA	156
ALASKA	25
ARIZONA	31
ARKANSAS	385
CALIFORNIA	374
COLORADO	66
CONNECTICUT	17
DELAWARE	45
FLORIDA	426
GEORGIA	349
HAWAII	49
IDAHO	41
ILLINOIS	127
INDIANA	26
IOWA	35
KANSAS	20
KENTUCKY	8
LOUISIANA	634
MAINE	65
MARYLAND	145
MASSACHUSETTS	240
MICHIGAN	88
MINNESOTA	440
MISSOURI	69
MISSISSIPPI	469
MONTANA	130
NEBRASKA	120
NEVADA	92
NEW HAMPSHIRE	25
NEW JERSEY	217
NEW MEXICO	239
NEW YORK	179
NORTH CAROLINA	411
NORTH DAKOTA	405
OHIO	34
OKLAHOMA	16
OREGON	174
PENNSYLVANIA	37
PUERTO RICO	4
RHODE ISLAND	64
SOUTH CAROLINA	190
SOUTH DAKOTA	151
TENNESSEE	129
TEXAS	675
UTAH	19
VERMONT	3
VIRGIN ISLANDS	12
VIRGINIA	431
WASHINGTON	327
WEST VIRGINIA	3
WISCONSIN	120
WYOMING	221
GRAND TOTAL	8,758 A/

A/ Amount differs from FY 1989 Budget Justifications by 17, amount of carryover for ANILCA permit fees, which are not available for Payments to Counties.

Question Submitted by Senator Domenici

1. **Question:** One of the centerpieces of the El Malpais legislation (P.L. 100-225) that the Secretary supported and the President signed into law last December was the creation of the Masau Trail. This automobile touring route will link various historic and prehistoric sites in western New Mexico and eastern Arizona. No funding was provided for this project in the FY 1989 budget for the National Park Service.

What level of funding is needed to complete the planning process and to implement the Masau Trail and for what would these funds be used?

Answer: The National Park Service has the lead for the development of the Masau Trail Plan. BLM will participate in the development of the plan. To what extent certain sites administered by BLM will be included in the plan is not known. Since the plan is not completed, the funding necessary to implement the plan is not known at this time, but we estimate that $150,000 will be needed in FY 1989 to complete planning and to begin implementation of the Masau Trail Auto Touring Route. This funding would be used to erect signs and markers at appropriate locations and to provide National Park Service technical assistance in the development of interpretive devices and materials. Funding would be used as follows:

Trail coordinator, salary and support costs	$ 50,000
Cost of signs, markers and other interpretive devices	70,000
Completion of trail plan	30,000
Total	$150,000

2. **Question:** The National Park Service budget includes only $150,000 for operations at the newly created El Malpais National Monument. It is estimated that $250,000 is needed for operations in FY 1989.

The Bureau of Land Management budget earmarks $200,000 for the operation of the El Malpais National Conservation Area. It is estimated that $500,000 is needed for operations in FY 1989.

a. Once an area is created doesn't the Department have an obligation to propose funding levels that are adequate to allow the unit to operate?

Answer: The Department places the highest priority on supporting current operations in the FY 1989 budget.The FY 1988 Appropriation included $200,000 within the Bureau of Land Management (BLM) recreation management subactivity for planning activities associated with the El Malpais National Conservation Area and $150,000 in the National Park Service (NPS) for operation of EL Malpais National Monument. This funding level is continued in the FY 1989 President's Budget. Although management planning is not yet completed and evaluated, the Department believes that the requested funding level should be sufficient for initial management of the designated areas.

b. What level of service can the public expect at El Malpais given that the Department's budget request is less than 50% of the amount that is needed to adequately fund these units?

Answer: The BLM and NPS will provide a level of service to meet the mandates of the Act and manage the area's significant resource values. The present funding level will permit the operation of a visitor information facility in Grants, New Mexico. There will be limited onsite interpretation, resource management and visitor protection provided for the Monument Lands. The BLM will adjust existing program capability and priorities to assure on-the-ground workloads within the National Conservation Area are accomplished. To accomplish this added workload, program capability will be redirected from lower priority work and from workloads associated with management of the public lands transferred from BLM to National Park Service administration.

c. For what purposes would these funds be used if $250,000 were provided for El Malpais National Monument operations and $500,000 were provided for El Malpais National Conservation Area operations?

Answer: The amount of $250,000 for the El Malpais National Monument would be sufficient to fund salaries and expenses for an eight member park staff, as follows:

Salaries for a superintendent, secretary, administrative technician, two park rangers, resource management specialist, maintenance worker and clerk typist.	$200,000
Support costs, space rental, supplies, equipment and travel	50,000
Total	$250,000

If $500,000 were provided to the Bureau for the El Malpais NCA, $270,000 would be used for data analysis and formulation of alternatives for the General Management Plan, and $230,000 would be used for operation of the Grants Field Station, including staffing, space and other administrative costs. The associated funding and workloads would be spread among several Bureau subactivities, specifically cultural resources management, wilderness management, recreation resources management, range management, soil, water and air management, and wildlife habitat management.

These allocations are tentative since management planning and funding analysis is not yet complete for the National Conservation Area and the National Monument.

3 Question: The National Park Service budget provides no land acquisition funds for El Malpais National Monument. How much would it cost the National Park Service to acquire the Candelaria Ice Caves property and site for Masau Trail headquarters along I-40?

Answer: The appraisal process has not yet begun; therefore, we are unable to provide an estimate of the cost.

4. Question: The Bureau of Land Management budget indicates that a $3.0 million unobligated balance brought forward in the Land and Water Conservation Fund may be used in part for acquisitions at the El Malpais National Conservation Area. How much of these funds would be used for acquisitions at El Malpais and for which acquisitions?

Answer: The FY 1989 President's Budget identifies an anticipated $3.0 million of Land and Water Conservation fund money that may be unobligated at the end of FY 1988. These funds were specifically identified by Congress for other acquisition projects. The Bureau cannot utilize these funds for the El Malpais National Conservation Area without Congressional approval of a reprogramming. There are no plans to pursue such a proposal at this time.

5. Question: The report accompanying the El Malpais legislation specifically recommended that a Bureau of Land Management ranger station be constructed within the National Conservation Area. What is the estimated cost of the construction of such a facility?

Answer: New Mexico has tentatively identified a cost figure of $200,000 to construct the proposed ranger station within the El Malpais National Conservation Area. Neither a detailed site analysis nor a management needs assessment have been completed, consequently this figure is only an estimate.

Salinas National Monument

6. Since it was created in 1980, Salinas National Monument has not received the base funding sufficient to meet its needs for staff, site stabilization, and maintenance, as spelled out in its General Management Plan (GMP).

In fact, this year Salinas does not have adequate funds to keep the monument open. It was forced to close down two of three units this winter.

Once again, the Department has failed to request adequate funds to implement the GMP for Salinas. It is estimated that an appropriation of $225,000 over the current base level would allow Salinas to implement the GMP and bring Salinas up to minimal standards.

Question: Why has the Department consistently failed to request adequate funding for Salinas? What level of appropriations would allow the GMP to be implemented at Salinas and for what would those funds be used?

Answer: Given the need to control Federal spending and the many competing high priority needs identified Servicewide, no additional funding has been requested. This area will receive an additional $21,000 in fiscal year 1989 from the fee revenues distributed in accordance with recently passed legislation.

We estimate that an additional $225,000 would allow the park to achieve the level of operations as specified in the park's recent General Management Plan. The ruins would receive adequate annual maintenance and all sites would be permanently staffed and protected.

The funding would be used as follows:

Cultural Resources (5.3 work-years for archeologist, historian and laborers)	$109,000
Interpretation (3.6 work-years for park rangers	74,000
Maintenance (2 work-years for maintenance workers)	42,000
Total	225,000

Santa Fe National Historic Trail

7. Last year, the President signed legislation creating the Santa Fe National Historic Trail. However, the Department recommended no funding for the Santa Fe Trail in the FY 89 budget for the National Park Service.

Question: What level of funding is needed to complete the planning process and to implement the Santa Fe Trail and for what would these funds be used?

Answer: Approximately $70,000 would be required in fiscal year 1989 to complete the comprehensive plan for the Santa Fe Trail. We estimate that $150,000 would be required, beginning in fiscal year 1989, to provide initial funding for the establishment of a trail headquarters with a superintendent and historian, and to provide funding to begin to implement the plan.

8. Question: The Bureau of Land Management is responsible for the protection of a number of Chacoan outliers associated with the Chaco Culture National Historical Park. BLM in New Mexico has allocated $250,000 out of its base cultural program over the past 10 years to manage these properties because it has not been provided adequate funding to carry out its obligations.

What is the cost of constructing a parking lot and fence at Casamero, conducting a cadastral study of Halfway House and Pierre's Ruin, withdrawing the mineral estate at Kin Nizhoni, and undertaking an architectural structural report at the Jacques site, and what benefit would the public gain from these projects?

Answer: All of the projects cited above were identified in the Joint Management Plan for the "Archeological Protection Sites" identified in Public Law 96-550 and administered by BLM. The benefits of projects identified for these sites would be to enhance public visitation at the sites, further protect significant cultural resource values, and provide for better administrative management of the sites by further delineating boundaries. The architectural structural report for the Jacques site would be used to document the present condition of the site prior to preparing any stabilization work. Further refinement of these project proposals since completion of the Joint Management Plan produced an estimate that they may cost $60,000 to complete.

9. Question: Please describe the cost of the following construction projects involving Bureau of Land Management facilities in New Mexico and the benefit to be gained by the public by their construction:

Answer: (1). Salado Creek Campground: The initial phase of construction is estimated to cost $200,000. The campground would be a cooperative venture with the State of New Mexico. The proposal includes 6-8 camp spots, two composting toilets, shade structures, picnic tables and a nature trail with interpretive signs. This would provide the public in the Ft. Stanton area of New Mexico with an additional opportunity for camping and outdoor recreation.

(2). Aguirre Springs Campground Water Pipeline: The most recent cost estimate associated with providing water for the campground at Aguirre Springs is $350,000. This project would provide water for the existing 50-unit campground which receives approximately 300,000 visitor use days per year.

(3). Restoration of Art Zimmerman Visitor Center (formally called the Rio Grande Gorge Visitor Center) at Wild Rivers Recreation Area: The estimated cost of the proposed restoration project is $175,000. The proposal includes the conversion of the present electric heating system to a solar system. Additionally, the project includes a new roof and some interior design work in order to provide more display space. The benefits would include increasing the energy efficiency of the building and enhancing the interior of the building in order to provide additional space under the existing roof.

(4). Dripping Springs Campground: The first phase of this project is tentatively estimated to cost $200,000. Initially the proposal would include a 15 unit campground with water and 1 to 2 family-unit day use picnic sites.

10. Question: The budget for the Bureau of Land Management proposes three land exchanges in New Mexico under the Land Tenure Adjustment program. Two exchanges are proposed with the State, totalling 101,000 acres. One private exchange involving 46,000 acres is proposed. Please describe these exchanges.

Answer: The exchanges identified to be accomplished in New Mexico were originally identified in 1987, and due to the nature and complexity of the exchange program in the state, details of individual exchanges may have changed. This results in part from public concern and input about exchange proposals, negotiation over values of exchange lands and results of specific appraisals.

The State exchange initiative in New Mexico involves working with a pool of identified lands from which lands are selected in order to balance out values. State exchange efforts have concentrated on blocking up lands within the El Malpais National Monument and El Malpais National Conservation area where offered state lands are in Valencia county and selected BLM lands are primarily in Torrence county. In addition, recently completed resource management plans in Sierra and Otero counties will provide for additional exchanges there.

The private exchange involves an exchange of mineral estate within the El Malpais National Conservation Area. Due to the complex negotiation process to determine the value of offered and selected lands, the acreage figures for such exchanges are estimates only and often will vary.

Questions Submitted by Senator Wallop

1. Question: Mr. Secretary, in response to a question by Chairman Johnston concerning funding the winter program at Yellowstone National Park, you mentioned an innovative way to provide housing for employees which would avoid making the Park Service both employer and landlord for the employee.

What are the specific details on how you intend to accomplish this?

Answer: The National Park Service has done a detailed review of its employee housing needs and the costs of meeting them. The Department's Office of Policy Analysis has surveyed the broadest possible range of options for meeting and financing those needs. Both the National Park Service's needs assessment and the Office of Policy Analysis draft paper are being made available to the Committee.

I have asked the Park Service and the Office of Policy Analysis to examine in greater detail the options for providing employee housing outlined in the draft paper, focussing in particular on options that would allow employees to participate in some form of home ownership and that would involve private sector participation. The four general options under scrutiny are employee housing cooperatives, sale or long-term lease to employees, joint Park Service-concessioner/developer ventures including employee housing, and private financing of construction/rehabilitation similar to housing programs implemented by the Department of Defense. The legal and practical implications of these approaches, including their economic feasibility, are being analyzed on a site-specific basis. Yellowstone is one of the sites being modelled for economic feasibility.

This examination of options in greater detail is now well underway, with a targeted completion in May. This should allow timely recommendations to the cognizant Committees for consideration and refinement during FY 1989.

I have asked my staff to consult with Committee staffs about Congressional concerns and ideas for improved employee housing so that our efforts will be of maximum mutual benefit.

2. Question: Fontenelle Dam, located on the Green River in southeast Wyoming, has been undergoing repairs because of instability due to seepage. The work is scheduled to be completed this year, however, fishery restoration is now necessary due to the inability to control the flows which were released during the repair period. As I understand it, the stream below Fontenelle is in particular need of restoration, as is Flume Creek hatchery located at the base of the dam. What are your plans to mitigate the Green River and River tailwater fishery below Fontenelle Reservoir?

Answer: Over the past two years, we have conducted studies with the Wyoming Game and Fish to determine the impact of the high releases on the trout fishery in the tailwater. We plan to continue these studies through FY 1989. We have also agreed in principle to restore Flume Creek Hatchery and its water supply.

From preliminary studies, it appears as though some stabilization habitat improvement and restocking of kokanee salmon may be required. Without completed studies, we are unable to determine the full extent of the impacts and mitigation required. Funds are currently available in FY 1988 and in the FY 1989 request to continue these preliminary studies.

3. Question: In the FY88 Continuing Resolution Congress transferred certain fish hatcheries and fisheries assistance offices from the Bureau of Indian Affairs to the U.S. Fish and Wildlife Service. Additional funds were provided to operate the facilities and to carry out the necessary fish and wildlife technical assistance requested by the tribes. In the FY89 budget proposal the tribally operated hatcheries and fisheries assistance offices now appear under the jurisdiction of the Bureau of Indian Affairs.

Has the Fish and Wildlife Service changed its position from last year, that they can best manage the hatcheries and fisheries assistance offices?

Answer: The three fish hatcheries referred to are located on Indian reservations and produce fish for Indian lands, but are operated by the Fish and Wildlife Service (Service), unlike other hatcheries on reservations, which are operated by tribes or by the Bureau of Indian Affairs (Bureau). Likewise the three fishery assistance offices are operated by the Service for the benefit of Indian reservations. Transferring the funding for these activities from the Service to the Bureau does not change the operation of the hatcheries, merely the source of funding. Such action does not reflect a change from previous positions which expressed support for tribal governments ultimately either assuming responsibility or contracting for management of their fishery resources as part of the self-determination process. The Department believes that it is more appropriate for the Bureau to budget for the continued operation and maintenance of these facilities since it will be the Bureau's responsibility to contract with the affected tribes.

Question: What are the FY89 funding requirements to continue the transfer which Congress effected last year when it transferred the responsibilities from the Bureau to the Fish and Wildlife Service?

Answer: The FY 1989 funding requirements to continue the transfer include $698,000/15 FTE for Alchesay-Williams Creek NFH and Mescalero NFH operations and $94,000 for hatchery maintenance. For the Parker, Pinetop, and Lander fishery assistance offices, $508,000/5 FTE is necessary. These funding levels will provide for continued operation of the hatcheries and assistance offices at a slight increase to the FY 1988 level. These funds are being requested in the Bureau's FY 1989 budget.

4. Question: Due to leaking dikes, a filling restriction has been placed on the water elevation at Glendo Reservoir, located in Southeast Wyoming just above Guernsey Reservoir. Because of ths filling restriction, excess run-off and flood water cannot be stored in Glendo Reservoir necessitating the U.S. Bureau of Reclamation to transfer this water downstream to completely fill Guernsey Reservoir. When this is done the water elevation at Guernsey Reservoir is approximately 3 feet higher than the normal elevation and waves tend to wash over the dam.

Much damage is done by this wave action to the shoreline, roads and recreation areas in Guernsey State Park. The Shoreline Road is the main access through the park and would be extremely costly to restore. Repairing of the Glendo Dikes is imperative so that the filling restriction can be lifted and the excess water can be stored in Glendo Reservoir thereby eliminating further damage at Guernsey.

Can you estimate the amount of funds needed to repair the Glendo dikes and detail what the schedule would be for completion of the work.

Answer: A total of $6,000,000 is required to perform remedial work on the Glendo dikes. It will take about 6 months after funding is available to complete designs, prepare an environmental assessment, and issue the specifications. The construction period will take approximately 18 months. About $3,000,000 would be needed for each of the two years.

Fossil Butte National Monument

5. One National Park Service project in which I am particularly interested is the construction of adequate visitor facilities at Fossil Butte National Monument located in southwest Wyoming. For 15 years Fossil Butte has operated with a "temporary" mobile trailer home which did not do justice to the tremendous archeological, historical and educational values present at the Monument.

Question: I note that the Fossil Butte facility is not line itemed as construction under this budget. Could you detail the plans and timetable for construction this year. Is the funding allocated in FY88 adequate to build the visitor facility?

Answer: The specifications will be completed by June 27 and the contract is scheduled to be awarded by mid-September 1988. Work will commence in 1988 and continue through 1989. Yes, the funding allocated in fiscal 1988 is considered adequate; though we will know with more certainty once bids are received.

6. Question: The decrease of $30 million from the FY 1988 enacted level of the Abandoned Mine Reclamation Fund is of great concern to me. Would you please provide me with the amount of revenue that Wyoming has paid in those coal taxes which comprise the fund from fiscal years 1981 through 1988 and the amount of money that Wyoming has received in AML funds for those years?

Also, I would like to know how much money the state of Wyoming can expect in FY 89 and would you please compare that to the amount of money the state received in FY 1988 and please explain in detail the reasons for these reductions?

Answer: Column 1 in the following chart shows reclamation fee collections from operators in the State of Wyoming by fiscal year. Column 2 shows the State's 50 percent entitlement; this amount can be supplemented by the Secretary's discretionary share. Column 3 is the total grant amount awarded, both State share and Secretary discretionary share, to the State. The chart shows funds granted to Wyoming for the period FY 81 through FY 87 and funds allocated for FY 1988.

Year	Total Collections	State Share Collections	Awards/ Allocations
FY 1981	$33,888,537.31	$16,944,286.66	$ 31,702.47
FY 1982	36,387,484.96	18,193,742.48	639,275.10
FY 1983	39,063,878.71	19,531,939.36	19,021,866.68
FY 1984	40,767,660.35	20,383,830.18	15,842,546.00
FY 1985	48,725,852.14	24,362,926.07	37,378,097.00
FY 1986	47,188,337.40	23,594,168.70	34,273,302.00
FY 1987	47,927,366.79	23,963,683.40	30,022,243.00
FY 1988 (1st Qtr)	13,195,343.95	6,597,671.98	21,115,756.00
Total	$307,144,461.61	$153,571,798.83	$158,824,788.25

Final decisions relating to the FY 1989 allocations have not been made at this time. When these decisions are final, in early FY 1989, we will be pleased to provide the additional information which you have requested.

Minerals Management Service

7. Under the FY 1989 budget, the State of Wyoming is estimated by the Department of Interior to receive $166.568 million in mineral revenue payments.

Question: Have these estimates been based on the anticipated amount of revenues under the oil and gas leasing program prior to enactment of the Mineral Leasing Act included in the budget reconciliation act or have they been based on the new law signed on December 22, 1987?

Answer: The estimates for onshore oil and gas rentals and bonuses for Wyoming have been adjusted to reflect the impacts of the new law signed on December 22, 1987.

Question: Do you anticipate that under the new leasing system these revenues will increase, remain the same or decrease as Wyoming's experience with an all competitive system has shown?

Answer: The Administration anticipates an increase in revenues under the new leasing system largely from bonus revenue. These increases will be offset by a reduction in revenue from previous non-competitive filing fees. Rentals will also increase.

Revenues to Wyoming will increase because the State will share in bonus revenues realized through the competitive leasing process. Under the former system, most leases were issued noncompetitively and applicant filing fees were not shared. However, it should be noted that royalties constitute the majority of revenues which Wyoming receives from the leasing of oil and natural gas on Federal lands.

Questions submitted by Senator Murkowski

1 .Question: On page 13 of your testimony, you speak of "increased enforcement of surface management regulations..." in Alaska. What exactly does this mean?

Answer: The increase in funding ($1.2 million) and FTE (20) will be used to increase the number, the frequency, or the levels of detail in the field inspection of existing plans and notices to ensure that the 3802/3809 regulations are being followed. We expect to do an additional 2200 compliance checks nationwide with about 200 to be done in Alaska. The increased availability of funding should permit more detailed (and more costly) evaluation of on the ground operations, and additional compliance checks if required.

2. Question: I note a proposed reduction in the number of original surveys to be completed in Alaska under the cadastral survey program. As you know, there are large portions of Alaska which have not yet been surveyed. At the current pace it will take us more than 50 years to complete all original surveys. Is there some way to speed up this process through the use of new technology without increasing the cost?

Answer: Alaska BLM is utilizing "state-of-the-art" technology in the survey of settlement claims in Alaska. Signals from orbiting satellites are used in positioning of geodetic control stations which are used to establish corners of the public land survey system. Through the use of satellite locations and use of electronic distance measuring equipment thousands of acres of lands throughout the State are surveyed more quickly and accurately than ever before.

However, because of the great expanse of Alaska, and the amount of unsurveyed country, even with the employment of the latest technology there doesn't appear today to be any significant opportunity for saving of either time or money beyond what has been projected to date.

Minerals Management Service

3. Question: Does the Department have a long-range plan for exploration of offshore mineral resources?

Answer: The Minerals Management Service (MMS) is working closely with the coastal States in developing a marine hard minerals leasing program for the OCS. This is being accomplished through joint Federal/State task forces that have been established to facilitate cooperative studies of marine minerals for the purposes of studying leasing options.

MMS is developing a regulatory framework for marine mining under the authority of the Outer Continental Shelf Lands Act (OCSLA). A three-tiered regulatory framework is being developed with separate regulations for prelease prospecting activity, leasing, and post lease operations. The Department currently is holding a series of meetings with industry, State and environmental groups, Congress and other Federal Agencies, to solicit their comments regarding the proposed regulations.

The objective of the MMS program is to encourage the development of a marine mining industry in the United States that provides a secure source of strategic and critical minerals for the U.S. economy balanced against environmental protection. Full public and State participation is assured. Studies performed by the task forces are used to evaluate the economic and environmental feasibility of leasing these minerals. The actual timing of exploration will be determined by the industry.

Other Departmental efforts which support eventual exploration of offshore mineral resources include a joint effort by the U.S. Geological Survey and the National Oceanic and Atmospheric Administration (Commerce) to map and perform research related to minerals in the EEZ.

QUESTIONS SUBMITTED BY SENATOR MURKOWSKI

Alaska Wilderness Studies and Recommendations

5. Question: What is the current status of the Park Service's recommendations on additional wilderness areas in National Parks in Alaska?

Answer: Since November 1987, the Service has been accelerating the environmental impact statement effort by requesting additional funds, assigning additional staff, streamlining the internal administrative review process and reducing the public review time to the minimum required by law.

Thirteen draft wilderness environmental statements are being prepared, with phased public review and comment periods ranging from March 18 through August 29, 1988. The scheduled completion date for final environmental impact statements is September 30, 1988.

The Director, National Park Service, will make wilderness recommendations to the Secretary of Interior. The Secretary then reports his findings to the President who, in turn, advises Congress of his recommendations.

Minerals Management Service

2. Question: During the last two fiscal years, how much was collected in civil penalities from leases within the 8(g) zone? Please provide this information by state.

Answer: To date no civil penalties have been levied against or collected from payors on offshore (and thus 8(g)) leases.

Question: How much was collected by the Federal Government in interest due to late payment of royalties on leases within the 8(g) zone? Please provide this information by State.

Answer: As the Auditing and Financial System is a payor-based accounting system, information regarding late payment interest by lease or by State is not routinely maintained. However, we are developing a special computer routine to generate the requested information. If no unforeseen problems are encountered, the information should be available in approximately 3 weeks.

Territorial and International Affairs

2. Question.	The Office of Territorial and International Affairs has neither an Assistant Secretary nor a Deputy Assistant Secretary. Also, the Office is unable to make decisions affecting policy. Mr. Secretary, there are a number of serious issues confronting this office, when are you going to get someone in there to run it, or direct those who are there to make decisions? When do you expect a nomination to be made for the Assistant Secretary position? When do you expect the position of 902 negotiator with the Northern Marianas Islands will be filled?
Answer.	There has been a senior member of the TIA staff detailed into a Deputy Assistant Secretary position since the Deputy Assistant Secretary position was vacated. Full management authority is vested in this Deputy. Policy decisions of significance are dealt with as they are throughout Interior bureaus; senior management of the Department is involved with the senior management of the Bureau affected. We are aware of the importance of the issues with which this office must deal. We will continue to work diligently to insure that the management team we have in place has the full support and assistance required to deal effectively and efficiently with these important issues. We cannot be certain when the nomination of an Assistant Secretary will occur although our hope is that the clearance process will be completed in the near future. As to the 902 position, we have advised the White House who we recommend and would expect expeditious action on this appointment.

QUESTIONS SUBMITTED BY SENATOR MELCHER
MINERALS MANAGEMENT SERVICE

1. The budget includes an increase totalling $4.36 million to fund the automation and centralization of onshore production reporting which allows the comparison of sales reports from royalty payors with production reports from lease operators.

Question: When do you expect to have this initiative completed?

Answer: The conversion of all onshore Federal and Indian lease operators to an automated and centralized production reporting system is being phased in and is scheduled for completion in May 1989. The schedule is, of course, subject to the availability of funding, including the FY 1989 increase, and assumes no major technical problems will be encountered.

2. I note that the request includes $0.25 million to compensate States and Indian Tribes when mineral leasing revenues are not disbursed within the time period required by statute.

Question: What are your assumptions relating to the number of late payments and the length of delay?

Answer: MMS has not made detailed assumptions about the number of late payments and the length of delay. The estimate of interest to be paid on late disbursements does assume that the timeliness of disbursements will improve as the result of ongoing and planned efforts, but that only relatively minor improvements are possible. In FY 1987, over 95 percent of disbursements to States from public land mineral leasing receipts were made on time; only about 1 percent was disbursed more than 1 month late and 0.5 percent more than 2 months late.

Question: For each of the preceding five fiscal years, please provide a listing of the amount of interest paid to States and Tribes due to late payments.

Answer: The requirement to pay interest on late disbursements was contained in the Federal Oil and Gas Royalty Management Act of 1982, and became effective in FY 1984. The following table shows the amount of interest liability incurred for FY 1984 through FY 1988. It should be noted that interest on late disbursements to Indian accounts is transferred to the Bureau of Indian Affairs for distribticn to Indian tribes and allottees.

	FY 1984	FY 1985	FY 1986	FY 1987	1st Quarter FY 1988
			($ thousands)		
States	$ 540	$1,051	$ 433	$ 251	$ 49
Indians	91	103	20	2	1
TOTAL	631	1,154	453	253	50

3. Question: During the last two fiscal years, what are the total amounts of underpayments MMS audits have uncovered on Indian leases? Please list this information by Tribe.

Answer: Audit collections on Indian leases were about $3.3 million for FY 1986 and $1.5 million for FY 1987. These figures are further broken down by tribal collections of $1.8 million in FY 1986 and $0.9 million in FY 1987 and allottee collections of $1.5 million in FY 1986 and $0.6 million in FY 1987. Data on audit collections by specific tribe is not routinely maintained by MMS, but could be manually developed and provided to the Committee at a later date, if desired.

4. Question: During the last two fiscal years, what are the total amounts of underpayments MMS or State cooperative or delegated audits have uncovered on federal leases? Please list this information by State.

Answer: Audit collections on Federal leases are $67.8 million for FY 1986 and $28.4 million for FY 1987. In most cases, these collections represent payments due in prior years. The following table provides a break down by State.

State	FY 1986	FY 1987
Alaska	$42,464,442	0
Arizona	0	$ 2,881
California	1,481,556	1,076,183
Colorado	4,596,314	7,855,147
Kansas	1,165	462
Louisiana	39,435	21,992
Mississippi	0	50,795
Missouri	0	199,363
Montana	517,770	908,207
Nevada	0	188,585
North Dakota	1,415,111	1,482,428
New Mexico	6,542,060	478,489
Ohio	655	0
Oklahoma	247,032	104,521
South Dakota	175,391	98
Texas	98,629	0
Utah	679,612	5,002,485
Wyoming	9,554,070	11,035,935

In addition, MMS has issued $140 million in audit billings on which the payor has posted a bond while MMS's order is on appeal or in litigation. Where MMS prevails, related amounts will be added to audit collections.

5. Question: I understand that MMS intends to undertake all future audits on a payor basis as opposed to a lease-by-lease basis. What is the rationale for this?

When do you expect to complete an audit of all federal onshore and Indian leases?

Answer: MMS's audit strategy places primary emphasis on a major company audit approach to maximize audit coverage for revenues from Federal and Indian mineral leases on a 6-year cycle. The audit strategy also includes the dedication of resources to audit smaller payors on a sample basis and to respond to specific lease and/or issue audits that are individually requested by Indian tribes and allottees as well as referrals from the Bureau of Land Management, Bureau of Indian Affairs, and other MMS offices. Some audits will, therefore, be done on a lease-by-lease basis.

The company audit approach represents an efficient and effective way to obtain high levels of audit coverage and the efficient utilization of available audit resources. Each company usually retains its records of oil and gas production, sales, and royalties paid at one or more central accounting offices. Thus, a company audit begins with a systematic review to test the accuracy and validity of the payor's automated or manual reporting systems, and proceeds with a sample of lease months designed to ensure effective coverage of the payor's entire lease universe. If problems are encountered in the payor's royalty calculations, additional lease months can be reviewed or MMS may direct the payor to recalculate royalties on all affected leases to correct the problem. The company approach also complements the payor level reporting and payment of mineral revenues to the Auditing and Financial System.

Utilizing this approach for major companies, MMS expects to provide audit coverage to about 95 percent of the mineral revenue universe over the 6-year audit cycle. Smaller payors are subject to audit through sample selection, through requests or referrals and through leads developed during audits of other companies.

6. Question: What is the Status of implementation by the Department of Pub. L. No. 100-234 relating to the payment of certain royalties under NTL-5?

Answer: Several actions are taking place to implement Public Law 100-234. On February 29, 1988, MMS sent a letter to all payors to explain the new law. Along with each letter, MMS sent a copy of the February 25, 1988, Federal Register Notice to inform lessees and royalty payors of the provisions of the Act and implementation instructions. Regional seminars for royalty payors and other interested parties began on February 23 of this year covering the implementation of both Public Law 100-234 and the new product value regulations. A total of eight seminars are planned, and early indications are that 900-1,000 industry representatives will attend.

Question submitted by Senator Bumpers

Question: 1. The Secretary of Energy has criticized the idea of draining Hetch Hetchy as being impractical and extremely costly with annual costs equal to half the Park Service's annual land acquisition expenditures just to replace the power. Will you please provide a copy of his report to the Committee with any comments you have on his analysis.

Answer: The Secretary of Energy has admitted he is uninformed on the merits of the restoration of Hetch Hetchy, but just "feels" it is a bad idea to remove projects that already exist. One of his Bureaus, the Western Area Power Administration, conducted a non-public review of the issues, but expressly disclaims any support for the Secretary's assertion that this proposal would cost $6 billion.

A copy of the DOE review and the Bureau of Reclamation's initial comments have been supplied to the Committee. A thorough review of the DOE study will be part of the Department's feasibility study.

Question: 2. Why does this study deserve funding at this time in light of the inadequate funding now available to the parks and Park Service programs that currently exist and your decisions to postpone or decrease funding of those programs in light of the federal deficit?

Answer: First, I disagree that "inadequate funding" is now available to the parks. Operations funding for the national parks has increased by 29 percent, after adjusting for inflation, since 1980. This is a rate of growth of about 3 percent a year above the rate of inflation. Funding has grown faster than visitation.

Second, the National Park Service spends at least $20 million a year on studies of one type or another. The Service spends more to study the rehabilitation or restoration of resources which do not come close to matching Hetch Hetchy. Our proposal is at this time strictly limited to beginning a study of whether it is possible to replace the water and power from Hetch Hetchy reservoir and, in view of the majestic alpine scenery which might be returned to Yosemite NP, the burden of proof should fall on the opponents of the study. To not study this idea may foreclose forever this unique opportunity to possibly restore the valley.

Other Questions submitted by Committee Members

Question: 1. EPA has proposed Safe Drinking Water regulations which are based on the premise that water for domestic supply be obtained from the best available, best protected source. Isn't your proposal to tear down O'Shaughnessy Dam inconsistent with these regulations.

Answer: I have not proposed that O'Shaughnessy Dam be torn down. I have proposed that we study this question to determine if it is feasible and practical to restore Hetch Hetchy valley. From the beginning, I have set a major precondition for this idea: there must be an economically feasible way to replace the water and power which is relied upon by San Francisco and other communities.

It should also be pointed out that if the dam is removed, the water will not disappear. On the contrary, the water would remain in the upper Tuolumne river and be very useful. It is our belief that the hydrologic modeling studies to be done by the Bureau of Reclamation as part of the Hetch Hetchy study would point the way to more efficient and environmentally sound use of the resource, whether or not the reservoir is drained. Additional environmental benefits could accrue to the California water community as a whole, including the federal Central Valley Project, and in all likelihood, to San Francisco. Moreover, this effort could well assist San Francisco in meeting any obligations that may be placed on the city's water system by the California Water Resources Control Board.

Question: 2. The Bureau study notes that all proposed alternatives would result in lower water quality for the 2 million people served by this system. How does this square with the strong public concern expressed by voters of California in passing Prop 65?

Answer: The Bureau of Reclamation study indicates that the water supply can be replaced from the same water system that provides the present water supply. To the extent that replacement water from other water systems might be necessary, as determined by future studies, these water systems are of good quality as well. They presently supply a large portion of the population of California with their drinking water. Accordingly, the replacement supply would not introduce any potential chemicals that would cause cancer, birth defects, or the types of reproductive harm which are addressed in Proposition 65. We would not support an alternative that resulted in less than high quality water being provided to San Francisco and other cities that now use water from the Hetch Hetchy System.

Question: 3(a) Why has the Department of the Interior refused to release any information about how this idea got started, even after Bay Area communities filed a Freedom of Information request? (b) Why has the Bureau of Reclamation hired a PR firm to sell this idea?

Answer: The Department has not refused to release any information about how this idea got started. In fact, the Department has gone so far as to release my initial memo to senior departmental staff asking them to review and discuss the idea. I also spoke with then Mayor Feinstein and others by telephone shortly after I proposed the idea. The Department did receive a Freedom of Information request from the law firm of Hanson, Bridgett, Marcus, Vlahos, and Rudy, representing the Bay Area water users, to obtain copies of comments received on the Bureau's draft report titled, "Hetch Hetchy Water and Power Replacement Concepts." Copies of comments which were received through early January were provided to this law firm. The final report included the review comments received from over 20 individuals and entities who commented on the draft report. Copies of the final report were mailed to all who commented, including the law firm representing the Bay Area communities.

The Bureau of Reclamation has not hired a PR firm to "sell this idea." If we proceed with more detailed studies to determine if restoration of the valley is both feasible and practical, the Department would seek the participation of all those who would be influenced. The Bureau has contacted a public information consultant to help develop preliminary thoughts on designing a public involvement plan so that those affected would have every chance to make their views known. I believe that public involvement is vital to a successful study, and would object to efforts to water down public involvement.

Question: 4. Some of the major park and water priorities for California today include repairing Delta levees, protecting SF Bay and Delta, and creation of Desert National Parks. What is the priority of your proposal in relationship to these?

Answer: John Muir, a well-known environmentalist, once described Hetch Hetchy valley as "A grand landscape garden, one of nature's rarest and most precious mountain temples." Those who saw it did not hesitate to compare it to Yosemite Valley. If Hetch Hetchy can be restored, it would add measurably to the stunning natural beauty of California, and pursuing this possibility is a matter of high priority, which is why I have requested study money. As a bonus, the Bureau of Reclamation's study points out that a significant increase in the Tuolumne River system's capabilities could contribute high quality water to California as a whole, thereby helping Bay-Delta water quality and the environmental integrity of the San Francisco Bay/Sacramento-San Joaquin Delta.

Question: 5. How can you justify sacrificing an existing source of clean, dependable and renewable hydroelectric power while at the same time moving to develop oil drilling along the California Coast and in the Alaskan wilderness?

Answer: The reason for going forward with more detailed studies is to determine whether acceptable alternatives exist to replace any power that would be lost. If replacement power cannot be found, at reasonable prices, then Hetch Hetchy would remain flooded. I believe that this replacement power can be found. We need to develop oil, not to supply power, but to provide for the transportation needs of California and the Nation and to decrease our dependence on foreign sources of petroleum which can be snatched away from us virtually without notice. We may be able to develop some of this oil, and help avoid future gasoline lines, while still protecting the environment both off the California Coast and in Alaska.

Question: 6. The recent Department of Energy study says that this idea is not viable and that no further studies should be conducted at this time. Why do you continue to push a $3-5 million study effort when there are other more important social and environmental issues?

Answer: Many of the Department of Energy's conclusions were unfounded; others were beyond the expertise of DOE. The National Park Service and the Bureau of Reclamation, the two agencies which have the needed expertise, both believe further studies should be pursued. I am willing to stand by the results of these studies. To spend $3-5 million to discover if Hetch Hetchy can be restored is a bargain, given the potential value of the resource. We are asking to spend, over several years, an amount of money which is less than one tenth of one percent of the expected Park Service and Reclamation budgets over the next five years.

Question: 7. Current releases of water from O'Shaughnessy Dam support fish life and whitewater rafting during the summer and fall. If you remove the dam, how will these recreational and environmental benefits be preserved?

Answer: The Bureau of Reclamation believes, based on its preliminary studies, that virtually all the recreational rafting and fish and wildlife values can be preserved. In addition, we would have restored that magnificent valley. Turn this question around. Suppose that someone, not this Department, were proposing to build the dam--or to dam another free-flowing Western river--and flood the valley. Would the argument that doing so would improve recreational rafting and fish and wildlife values be persuasive?

Question: 8. It is the stated policy of the Reagan Administration to reduce dependency on foreign oil to cut the balance of payments deficit and to improve the competitiveness of American industry. The Department of Energy report opposes your "idea" because they estimate that it would result in the loss of 900 million kilowatt hours and require 1.7 million barrels of oil as a replacement at an annual cost of $34 million. Don't you see the obvious conflict between your idea and the Administration's goals?

Answer: The question misstates this Administration's policy. The most compelling reason for proceeding now with oil development is national security. These new sources of oil would not be productive for 5-10 years or more, when our dependence on unreliable foreign sources of supply could easily become critical. We need to act now to forestall this situation.

The amount of power generated by O'Shaughnessy Dam is literally insignificant. It represents less than two-tenths of one percent of electrical capacity now available in California. California's total capacity exceeds 61 million megawatts (MW), and their surplus exceeds 1,400 MW. Hetch Hetchy represents approximately 120 MW. Replacement sources are plentiful. The issue is whether these replacement sources are economical and practical, and that is why we should proceed with additional studies.

Question: 9. In light of the growing budget deficit, AIDS crisis, the plight of the homeless, acid rain, and other critical federal issues, what kind of support do you think you'll have in Congress for spending millions of dollars on this idea?

Answer: I believe that most Members of Congress have an open mind on this issue, and want to find out whether this potential crown jewel can be restored to the park system. Its environmental value cannot be questioned. The cost of making this determination, up to $5 million, is reasonable given the value of the resource and the relatively large amount of money we spend each year on various studies of the Park System. Finally, Congress added a number of projects, which were intended to improve the national parks and approved ongoing and new studies totalling tens of millions of dollars in the FY 1988 budget. Many of these projects are more expensive than the Hetch Hetchy study.

Question: 10. When you first announced this idea, you suggested that the Bay Area could get its water supply from the Auburn Dam. What assurances can you give Californians who oppose Auburn Dam that this isn't still your real motivation? Can you state categorically that the Federal Government won't proceed with Auburn?

Answer: I did not suggest that the Bay Area could get its water supply from the Auburn Dam. The report by BOR did not even mention the possibility of Auburn Dam as an alternative source of water or power. I have said on every occasion on which this question about Auburn Dam has been raised: if those in support of Auburn expect the Federal Government to provide most of the funds for Auburn, it will not be built in my lifetime.

Question: 11. First you said that this project was to help get Auburn Dam built. Then you said it was to solve the overcrowding of Yosemite Valley. Then you said that you would leave the Dam up and the Valley underdeveloped. What are you now proposing and at what cost?

Answer: I have consistently proposed that we study the possibility of restoring Hetch Hetchy for the purpose of returning to the National Park System a most significant treasure. The purpose of restoring Hetch Hetchy is not to help build Auburn Dam nor to solve the overcrowding situation in Yosemite Valley. Should Hetch Hetchy Valley be restored, it will be up to a future Administration to determine, based on NPS recommendations, the future development of this valley. Again, our proposal is at this time strictly limited to beginning a study of whether it is possible to replace the water storage and power from Hetch Hetchy reservoir.

Those who talk about costs a thousand times greater are trying to defeat the study (for whatever reason) by spreading unsupported and unsupportable numbers as a means of scaring off would-be supporters.

4. Question: **In reviewing your O&M program over the years, this committee notes that several of the programs are funded from revenue collections or revolving funds rather than by annual appropriations. Since most of your O&M program is reimbursable under Reclamation law, is there any reason why other projects could not be similarly funded by a revolving fund if suitable legislation were enacted?**

Answer: There is no technical reason precluding a revolving fund. In the recent Assessment '87 report, it was noted that establishing a revolving fund would allow sound operational and maintenance decisions which are based on technical judgments.

As you noted, several of the project O & M requirements are funded through revolving funds or permanent appropriations. These include the Colorado River Storage Project and the Colorado River Basin Project that are operated as revolving funds. Similarly, the Boulder Canyon Project already operates under a permanent appropriation. In these projects, the O&M programs function in a businesslike fashion with no net impact on the Federal Treasury. So long as water and power revenues are available in the respective funds, they can be used for O&M purposes, without further appropriation. Furthermore, revolving funds have allowed these projects to optimize scheduling of major expense activities, thereby optimizing costs, meeting completion targets more consistently, and optimizing resource potential and revenue generation.

It should be noted, however, that some projects and activities performed under the O&M program are nonreimbursable and would continue to require appropriations. Such items as the salinity control work done on the Colorado River to meet treaty requirements with Mexico, certain flood control work, safety of dams investigations, and others are completely nonreimbursable, and therefore, could not be included in a revolving fund.

This idea of a revolving fund for O&M is currently under review in the Department. This proposal has not been reviewed by the Secretary nor has it been presented to the Office of Management and Budget. Also, it has not been presented to the Appropriations Committees, whose views we would want to take into consideration. While such a revolving fund might serve Reclamation well, this proposal also needs to be considered in the broader context of the government's overall fiscal situation and whether, under current circumstances, it is wise to remove additional budget authority from the controllable part of the budget.

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Response to Questions by Senator Conrad
Concerning the Theodore Roosevelt National Park

1. Question: Are you aware of any efforts by the BLM to protect the wilderness values of the area?

   Answer: The BLM has continually worked with the Theodore Roosevelt Park to ensure that the wilderness values are maintained. The lease you mentioned outside the park boundary is an existing Federal lease that was issued on November 1, 1976. In an effort to protect visual values and control noise pollution during the peak use period, meetings with the lease operator, Forest Service, Park Service and BLM resulted in the acceptance of stipulations providing a setback of 175 feet for the drilling rig from the park boundary to soften visual impacts and a limitation of the drilling period. No drilling activity is to occur from May 1st thru September 1st.

   Also, in early 1975, 9 protective oil and gas leases were issued within the park boundaries. These leases were issued to provide protection to the public mineral resource from drainage by adjacent private leases. They were issued with a no "surface occupancy" stipulation and had the approval of the National Park Service.

2. Question: Would a restriction on the time frame for development--for example, no drilling between June 1 and Labor Day--be appropriate to protect wilderness values?

   Answer: Pursuant to the above mentioned efforts, a stipulation has been put into effect which provides that no drilling will occur between May 1st and September 1.

3. Question: What efforts is the Department of Interior making to coordinate leasing activities in this area between the BLM and the National Park Service?

   Answer: The BLM maintains close liaison with the National Park Service (NPS) on leasing activities under its jurisdiction that may affect National Parks. Further, the BLM and the NPS are presently developing an interagency leasing agreement. This agreement will formalize the responsibilities of each agency and provide a clear, standard mechanism for addressing concerns of either party.

4. Question: Are there any general memoranda of understanding between the two agencies that are designed to protect park and wilderness values when leasing occurs close to park boundaries? If so, what areas are addressed? Would a time restriction on drilling activities be an appropriate issue for a memorandum of understanding?

   Answer: The Interagency Agreement referred to in the response to question 3 above will provide an opportunity for the NPS to indicate areas of concern where Federal lands are involved and for the inclusion of appropriate stipulations recommended by the NPS.

January 22, 1988

GENERAL COMMENTS
ON
DOE'S REVIEW
OF
WATER, ENVIRONMENTAL, AND ECONOMIC ISSUES RELATING TO THE HETCH HETCHY CONCEPT

Water

Regarding the loss of Hetch Hetchy Reservoir, it is not true that removal of the reservoir would result in the loss of 300,000 acre-feet of San Francisco water supplies, as direct diversion would provide some water, along with other potential sources yet to be investigated.

At this time, there is no basis for the statement that removal of the Hetch Hetchy system would affect the Modesto and Turlock Irrigation Districts, as no studies have been conducted to come to any conclusion.

The statement is made that any replacement option would provide water significantly "less pure" than the present supply. Not all replacement would be less pure, just some.

The statement is made that if less pure water is provided as a replacement, then charges might be necessary for water treatment. As time goes by, San Francisco will have to change treatment anyway.

Environmental

The Department of Energy (DOE) review claims to present an environmental "analysis" from which they conclude that significant negative environmental impact would occur. However, their "analysis" is simply a listing of some of the potential impacts (which we are already aware of and propose to study), accompanied by completely unsupported and sometimes erroneous statements and conclusions regarding the severity and negative nature of these impacts. The DOE review with respect to environmental issues is nothing more than a series of opinions, which DOE has claimed represent the "average person's values." We doubt that DOE is qualified to represent the "average person's values," nor are they qualified to make conclusions regarding environmental impacts for which there is no supporting data.

Economic

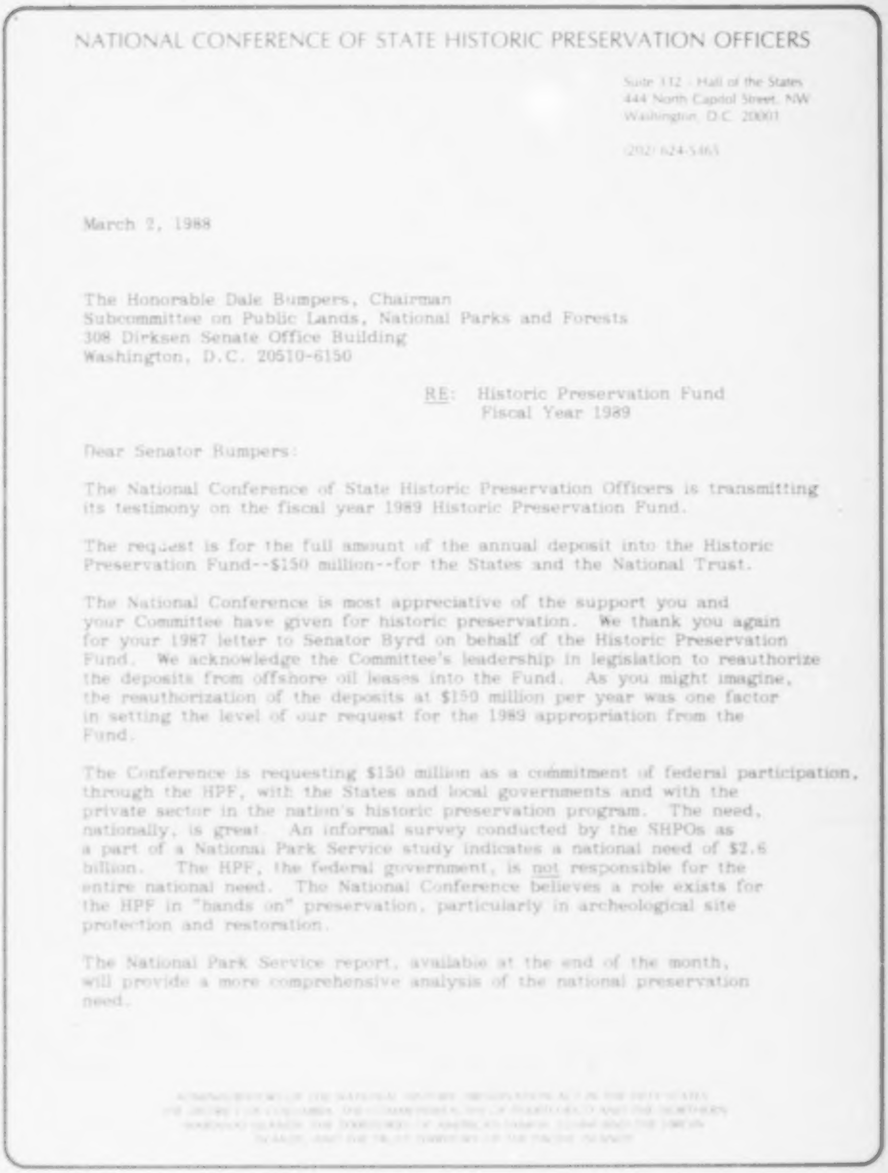
The orientation of the DOE review is different than that of the Department of the Interior (DOI). For instance, DOE based their analysis on a plan formulation-type approach (i.e., is the plan economically feasible?), whereas the DOI analysis was based on achieving a stated goal and objective - restoring Hetch Hetchy Valley - a cost minimization approach which atttempted to identify the costs and benefits associated with restoration. Our analysis, since it was premised on only meeting the objective of replacing the water and power lost from Hetch Hetchy, did not present a benefit-cost analysis. Our study identified some of the potential benefits and costs associated with the restoration, and only recommends that further detailed studies be undertaken to determine if the restoration option warrants implementation.

DOI is charged with the responsibility of balancing economic and environmental criteria in order to manage and protect our Nation's natural resources. Consequently, DOE has neither the responsibility, nor authority, to administratively determine what is appropriate.

Many of the statements and conclusions made in the DOE review are in areas where they have no responsibility and little expertise.

APPENDIX II

Additional Material Submitted for the Record



NATIONAL CONFERENCE OF STATE HISTORIC PRESERVATION OFFICERS

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Washington, D.C. 20001

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March 2, 1988

The Honorable Dale Bumpers, Chairman
Subcommittee on Public Lands, National Parks and Forests
308 Dirksen Senate Office Building
Washington, D.C. 20510-6150

RE: Historic Preservation Fund
Fiscal Year 1989

Dear Senator Bumpers:

The National Conference of State Historic Preservation Officers is transmitting its testimony on the fiscal year 1989 Historic Preservation Fund.

The request is for the full amount of the annual deposit into the Historic Preservation Fund--$150 million--for the States and the National Trust.

The National Conference is most appreciative of the support you and your Committee have given for historic preservation. We thank you again for your 1987 letter to Senator Byrd on behalf of the Historic Preservation Fund. We acknowledge the Committee's leadership in legislation to reauthorize the deposits from offshore oil leases into the Fund. As you might imagine, the reauthorization of the deposits at $150 million per year was one factor in setting the level of our request for the 1989 appropriation from the Fund.

The Conference is requesting $150 million as a commitment of federal participation, through the HPF, with the States and local governments and with the private sector in the nation's historic preservation program. The need, nationally, is great. An informal survey conducted by the SHPOs as a part of a National Park Service study indicates a national need of $2.6 billion. The HPF, the federal government, is not responsible for the entire national need. The National Conference believes a role exists for the HPF in "hands on" preservation, particularly in archeological site protection and restoration.

The National Park Service report, available at the end of the month, will provide a more comprehensive analysis of the national preservation need.

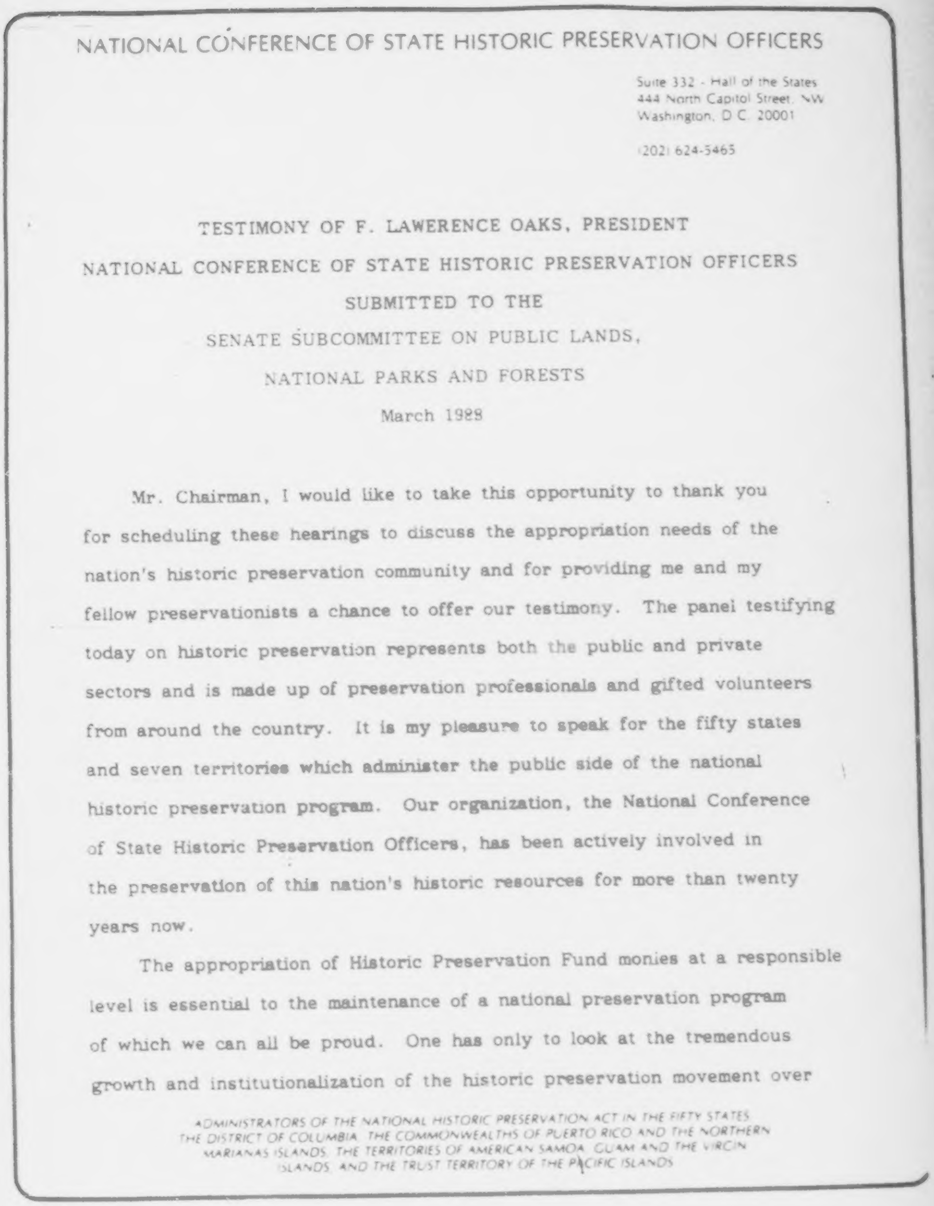
Letter Bumpers, 2 March 1988, page 2

Thank you for your consideration of our request for the 1989 HPF. The National Conference hopes your Subcommittee will be able to include a $150 million HPF amount in your total recommendation on the Interior Budget.

Sincerely,

Eric Hertfelder
Executive Director

cc: Cathy Buford, Arkansas SHPO



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TESTIMONY OF F. LAWERENCE OAKS, PRESIDENT
NATIONAL CONFERENCE OF STATE HISTORIC PRESERVATION OFFICERS
SUBMITTED TO THE
SENATE SUBCOMMITTEE ON PUBLIC LANDS,
NATIONAL PARKS AND FORESTS
March 1988

Mr. Chairman, I would like to take this opportunity to thank you for scheduling these hearings to discuss the appropriation needs of the nation's historic preservation community and for providing me and my fellow preservationists a chance to offer our testimony. The panel testifying today on historic preservation represents both the public and private sectors and is made up of preservation professionals and gifted volunteers from around the country. It is my pleasure to speak for the fifty states and seven territories which administer the public side of the national historic preservation program. Our organization, the National Conference of State Historic Preservation Officers, has been actively involved in the preservation of this nation's historic resources for more than twenty years now.

The appropriation of Historic Preservation Fund monies at a responsible level is essential to the maintenance of a national preservation program of which we can all be proud. One has only to look at the tremendous growth and institutionalization of the historic preservation movement over

ADMINISTRATORS OF THE NATIONAL HISTORIC PRESERVATION ACT IN THE FIFTY STATES, THE DISTRICT OF COLUMBIA, THE COMMONWEALTHS OF PUERTO RICO AND THE NORTHERN MARIANAS ISLANDS, THE TERRITORIES OF AMERICAN SAMOA, GUAM AND THE VIRGIN ISLANDS, AND THE TRUST TERRITORY OF THE PACIFIC ISLANDS

the last fifteen years or so to see how the funding of the 1966 act has allowed this nation to adopt a progressive infrastructure for identifying, evaluating and protecting our historic resources. Without these Historic Preservation Fund monies there would be no national historic preservation program. We must never allow ourselves to be deluded to think that a desirable national preservation ethic will evolve from 50, or fewer, isolated preservation efforts. American history is not 50 histories, but rather how the fifty became One. Without increased Historic Preservation Fund appropriations we might find that we could lose those irreplaceable resources that express the history of some states which cannot afford to sustain the preservation effort. We must provide more than just basic levels of funding support to assure that all aspects of our culture are brought into the resource planning and protection system.

The National Historic Preservation Act passed in 1966 and amended in 1980 envisions a dynamic partnership of public and private actors at the federal, state and local levels. It mandates a strong role for the federal government in expanding preservation activities. We must appropriate more Historic Preservation Fund monies if we are to continue an aggressive national program.

The national preservation program which has evolved since 1966 is unique among federal programs in that it is carried out by the states rather than by regional offices as in other U. S. Government programs. This has allowed national policy and direction to be co-ordinated from Washington while allowing for the development of service delivery systems at the state and local levels--where the resources are located and best understood.

The states have, as a result of funding from the Historic Preservation Fund, developed a broad array of programs to help preserve cultural resources. The appropriation must be increased though to meet the debilitating effects of inflation and increased demands made in recent years. Tremendous strides have been made in the identification of resources; a growing percentage of the country has been surveyed. The results of these surveys are being developed into comprehensive state inventories. Increasingly, these inventories are being computerized and will subsequently provide readily available information for planners, developers and other resource users.

Another major area funded by the Historic Preservation Fund is the evaluation of resources for listing on the National Register. Not all inventoried resources can or should be saved. The evaluation process allows us to decide where we need to target our resources so as to use them most wisely and assure ourselves that we are protecting representative resources of all types. The SHPO staffs were able to make 3153 nominations to the National Register in 1986, adding 55,268 structures to that important preservation tool.

The identification and evaluation processes mentioned previously serve as the basis for the implementation of many other programs funded by the Historic Preservation Fund. I will briefly describe a few of these to underscore the need for increased appropriations from the Historic Preservation Fund. The federal tax act incentive program is one of the most successful programs in recent years to preserve commercially used historic resources. It is important to note, however, that even with the desire to assist income producing historic properties with tax incentives, the Congress would not have the means to implement such programs without the network of SHPO offices. Most of the work for reviewing and monitoring the 2.2 billion dollars in construction during 1986 was done by the state staffs. The appropriation of adequate Historic Preservation Fund monies is essential to maintain this partner who administers the tax act program.

Since only about fifteen percent of National Register buildings are potentially eligible for the use of tax incentives, other programs funded by the Historic Preservation Fund are essential to preserve our built environment. Another such program is that of Review and Compliance in which the state provide information and advice to federal agencies so that those agencies can effectively consider and protect historic resources. The states provided information on approximately 59,566 federal undertakings in 1986. Examples of other Historic Preservation Fund program activities include: the development of statewide historic preservation comprehensive plans, operation of Main Street downtown revitalization programs, development and implementation of preservation education programs, distribution of and instruction in technical preservation information; and until 1981. administration of the highly effective development grants program. All of these programs have been made available by historic preservation funding and have been extremely successful and cost effective.

I would like to take a little more of your time to discuss the importance of the development grants program. The loss of this Historic Preservation Fund program in 1981 has led to the loss of numerous cultural resources. To be sure, the tax act has helped with some commercial buildings and some federal agencies are helping to preserve federally owned structures and sites. But this still leaves unprotected the vast majority of cultural resources not covered by those programs. The states are the only public sector partner addressing ALL historic properties in ALL types of ownership at ALL levels of significance.

Responding to your request made in the 1988 budget, the National Park Service and the National Conference of State Historic Preservation Officers have worked together to carry out a needs assessment of preservation groups in the 50 states and seven territories. This was an intensive effort involving hundreds of people in every state and reaching virtually every congressional district in the nation. The response was overwhelming, indicating the need for 2.7 billion dollars worth of stabilization, rehabilitation, and restoration of the nation's historic resources.

The task seems insurmountable; however, it is precisely because of the existence of a strong, efficient infrastructure for historic preservation that we can take on such a task. First, the resources are obviously of national, state, and local significance. So it is not the responsibility of the federal government to take on even a majority of them. The federal government has responsibility for some of that work, but it can call on state and local governments and the private sector to do much. Secondly, the history of this particular program documents that the investment by the federal government of one dollar in preservation efforts will leverage a multi-fold outlay by the private sector, thus producing jobs and a corresponding return of revenue into the public coffers. If the federal government will "prime the pump" and give leadership and direction to the effort, a major synergistic result can be produced. With all the partners working together we can address this need over the coming years. We must get started now.

We would, therefore, like to request that Congress appropriate the amount it authorized for the annual deposit into the Historic Preservation Fund from the offshore oil leases: 150 million dollars. This amount would support all historic preservtion partner activities. The needs assessment has demonstrated the foresight of Congress when it chose the 150 million dollar figure. We feel that these monies should be used for their intended purposes. We ask for your support of this goal!

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TESTIMONY OF H. BRYAN MITCHELL
VIRGINIA STATE HISTORIC PRESERVATION OFFICER
GIVEN ON BEHALF OF THE
NATIONAL CONFERENCE OF STATE HISTORIC PRESERVATION OFFICERS
SUBMITTED TO THE
SENATE SUBCOMMITTEE ON PUBLIC LANDS,
NATIONAL PARKS AND FORESTS
March 1988

Mr. Chairman and Members:

My name is Bryan Mitchell. I am the State Historic Preservation Officer for the Commonwealth of Virginia, and I serve on the Executive Committee of the National Conference of State Historic Preservation Officers. I would like to speak on behalf of that Conference to advocate an idea that is quite simple, really, but an idea which in the context of our existence over the last several years might appear quite radical: the Congress should appropriate to the Historic Preservation Fund in fiscal year 1989 that amount it has already authorized as the Fund's annual income, $150 million.

In the years following the Fund's precipitous drop in appropriation level from its high of $60 million down to the mid-$20 millions, and in the face of this Administration's annual recommendation for no funding, we preservationists cautiously appeared before you and asked merely to be kept in existence -- to be given "level funding." We knew at the time, and I trust you also knew, that those requests bore no relationship to this country's preservation needs. Instead, they were based on defensive, political calculations to determine the amount we thought you might safely agree to in hard times. Our greatest sin, we thought, would have been to appear unrealistic and naive in our political judgment of what to expect from the Congress.

ADMINISTRATORS OF THE NATIONAL HISTORIC PRESERVATION ACT IN THE FIFTY STATES, THE DISTRICT OF COLUMBIA, THE COMMONWEALTHS OF PUERTO RICO AND THE NORTHERN MARIANAS ISLANDS, THE TERRITORIES OF AMERICAN SAMOA, GUAM AND THE VIRGIN ISLANDS, AND THE TRUST TERRITORY OF THE PACIFIC ISLANDS

Last year, after a few letters and telephone calls around our states quickly produced various preservation needs totalling some $300 million, we screwed up our courage and asked you essentially to return the program to the funding level it had enjoyed prior to its crash, and we asked you to remove the prohibition on using the funds for actual building rehabilitation work. So, last year we were finally speaking to you more bluntly about unmet needs, and we confessed that continued level funding simply left us further and further behind in addressing those needs. However, we still tried to demonstrate our political prowess through the strategem of arguing merely for the return to a previous level of commitment.

Mr. Chairman, let me assure you that this year we are no less realistic in our expectations, no more naive in our perceptions, no less cognizant of the political competition for limited funds. However, we are more convinced that you need a fuller picture of preservation needs in this country, we are less reluctant to be the ones to give you that picture, and -- thanks to the national Needs Assessment that Congress agreed to -- we, ourselves, are more aware of the alarming breadth of those needs. The last tally I saw on the Needs Assessment showed a full range of construction and non-construction needs approaching $3 billion. Perhaps the total has exceeded that mark as Park Service officials have continued the count. Virginia's contribution to that total was about $90 million, and my own analysis of the projects we reported is that we did scratch the surface, but we did not plumb the depths of Virginia's needs. I suspect that the same should be said for the figures nationwide.

With this kind of information staring all of us in the face, we in the National Conference concluded that the most honest, the most justifiable request we could put before you is a request for funding at the full amount authorized by law: $150 million. To ask for any less is to keep from you that sense of urgency we feel about the current condition of the nation's historic resources.

In preparing to come here today I have reviewed a number of the presentations various of us have made in the past on the question of the Historic Preservation Fund. Many of the ideas were and are compelling, so that some brief reminders here should serve to recall them:

> From Larry Oaks of Alabama came the powerful reminder that income derived from the depletion of one important resource was intended for the protection and management of another important resource. As we all know, the amount of

funds from outer continental shelf oil leases assigned to the Historic Preservation Fund each year is $150 million.

From Charles Lee of South Carolina came the thought provoking idea that spending vast sums for defense from foreign enemies should logically be accompanied by adequate spending to preserve those physical elements of the American patrimony and way of life that we seek to defend.

Larry Tise of Pennsylvania reminded us that preservation has proved to be the successful strategy for revitalization of downtowns in communities ranging from smaller towns and cities to major metropolitan areas. Specifically, he pointed to the historic preservation tax credits and the billions of dollars in private investment they have stimulated. There can be no question that the tax credits have created the major preservation success story of this generation.

On the other hand, Ted Sanderson of Rhode Island emphasized that most of our historic structures are not income-producing and are therefore not eligible for the tas credits. He lamented that the prohibition against bricks and mortar projects means that for our great historic schools, courthouses, churches, libraries, city halls, and houses, we can look at them, record them, plan for them, worry about them, and watch them crumble, but we cannot touch them.

In my own comments during HPF reauthorization hearings last spring, I pointed out that most of the nation's historic and prehistoric resources remain unsurveyed, and that we cannot begin to protect those resources we have not yet even found.

Both Larry Oaks and I observed that in our states, while federal investment in preservation has dwindled, the preservation case load, the client need for enabling assistance, and the general public interest in preservation have all increased dramatically. While the federal reduction in absolute dollars has been striking, the impact of that reduction has been magnified by the reduced value of the dollar.

Eric Hertfelder, our Conference executive director, pointed toward the structural and ideological success inherent in this national program: national goals and guidelines spelled out by the federal government, service delivery and program enhancement from state offices at a cost to the federal government of 50 cents on the dollar, and more recently a reach to include local programs and service in this partnership through the Certified Local Government program. The national preservation program provides a successful model of federalism, and its record since 1966 is one of growing achievement all across the country. It is limited principally by the inadequate resources it receives to address ever-increasing needs.

Last year during floor debate on reauthorization of the HPF, Rep. Bruce Bento, Chairman of the House Interior Subcommittee on National Parks and Public Lands, urged his colleagues "to make certain that the Historic Preservation Fund has some fuel in the tank to keep the engine running."

If you will grant me the liberty of pursuing the automotive metaphor for a moment, I might suggest that the successful reauthorization effort means that the bank won't repossess the car. What we must now consider is whether our investment in the car's maintenance and fuel will be sufficient to have the car chug around the block from time to time, or whether we will have a road-worthy machine that reliably gets us where we need to go.

We come here today to speak in favor of the effective partnership this program can be. No one here believes the federal government can or should carry out the nation's preservation activities on its own. We in the states have every intention and wish to be effective partners. Simply measured in dollars, the states already more than meet the matching requirements called for in the law. Beyond ollars and cents Virginia and other states are responding to heightened awareness of preservation needs by examining their efforts and improving the statutory tools that form a part of their contribution to the partnership. The number of local governments seeking to establish or upgrade their preservation programs grows monthly, and their need for assistance is painfully obvious.

If the federal government is to be an effective partner, it cannot content itself with establishing lofty goals and exacting standards and then providing far less than its share of resources for meeting those goals; it cannot maintain a paper tiger program that imposes stiff administrative burdens on states and on local subgrantees, while providing far from enough dollars to make those burdens worthwhile or even defensible. It cannot redognize that the nation's significant historic resources need a $3 billion investment and then assume that the federal partner's share should remain somewhere below 1% of that need.

Mr. Chairman, Virginians always need to talk at least a little bit about Virginia, so permit me to close by mentioning three of Virginia's nationally significant resources that are in the news. In nearby Loudoun County the National Historic Landmark village of Waterford remains a national cause celebre, because of the land development pressures that threaten to destroy the features inherent in its national significance. While we have joined forces with the National Park Service in an effort that has been part technical assistance and part lobbying campaign, the threat remains and grows closer to reality. A more effective federal appropriation level and a return to the full use of those funds would allow for a federal-state-local- private group partnership to buy down the land's development potential, protect it with a perpetual covenant, and still avoid any federal obligation to acquire and maintain the property.

Out in Prince William County the newly proposed massive shopping mall on the edge of the Manassas National Battlefield is merely the most recent and the most spectacular threat to one of the national parks in Virginia. We have already been working with the Park Service to fend off development threats adjacent to Manassas, Fredericksburg, Richmond, and Petersburg Battlefields. Once again, unilateral federal action cannot always be the solution: continuing federal land acquisition is cumbersome and by no means assured of Congressional approval. It is not always a terribly popular option locally, either. On the other hand, increased assistance to state preservation offices would allow for a range of activities from easement acquisitions to subsidizing more sympathetic local land-use planning efforts that would better enable us to help you protect the federal investment.

Finally, a happier story. Through the efforts of ICOMOS Thomas Jefferson's Monticello and his "Academical Village" at the University of Virginia will soon join extremely select company on the World Heritage List. ICOMOS's work to make the United States a functioning member of the international preservation community is an important component of the federal government's preservation effort. We certainly hope that the Congress will restore funding to our international agent.

Mr. Chairman, we point to many needs, but we also point to a record of successes and a delivery system that can address those needs, if adequate funds are made available. Any effort by the Congress to return the federal government to effective partnership in the program it created will reap dividends far exceeding the federal investment. The federal partner's chair is in your hands. Thank you very much.

SOCIETY FOR AMERICAN ARCHAEOLOGY

Statement before the
Subcommittee on Public Lands, National Parks and Forests
Senate Committee on Energy and Natural Resources
Hearing on Fiscal 1989 Budget for the Department of Interior

March 3, 1988

Mr. Chairman, the Society for American Archaeology is pleased to have the opportunity to present this testimony. The continued interest and support of your Subcommittee is a major stimulus for archaeological resource protection, research and interpretation throughout the United States.

The Society for American Archaeology (SAA) is an international scholarly and professional association comprised of both professional and avocational archaeologists concerned about the discovery, interpretation and protection of the archaeological heritage of America. As such, the SAA has had a long partnership with the Department of the Interior and other federal land managing agencies to help preserve and promote the nation's cultural and natural resources.

This year the SAA has several specific funding requests to bring to your attention.

NATIONAL PARK SERVICE

Operations of the National Park System

Proposed Reductions of Base Funding:

The Society is greatly concerned about the Administration's proposed reduction in the Park Operations budget. The requested cut of $52.2 million in federal funding, to be supplemented by fee collections, seems to contradict the intention of the enabling legislation.

Indeed, as we understand it, the intent of the park fee legislation was not to substitute federal appropriations, but rather to supplement them. Activities which had not fully benefitted from direct federal appropriations were to receive

The resources that need this funding are fragile and irreplaceable. They include, among other things, some of the most significant archaeological sites in the world. To cut funding for work that is so needed for the protection of these sites would be a violation of the public trust that has been placed in the Park Service since it was established in 1916. Such a reduction would also be economically unwise, as future costs to do the work will be much higher.

We hope that you will reject the Administration's short-sighted approach and that you will provide sufficient funding for the ONPS to reflect both Congressional intent and to meet the real resource protection needs for which the original park fee legislation was enacted.

El Malpais National Monument

We urge you to increase the level of funding for the El Malpais National Monument, an area that contains outstanding archaeological resources reflecting much of the long and intriguing cultural history of the Southwestern United States. The Administration requested $100,000 for park operations for the monument. The Society supports increasing this to $250,000.

Associated with El Malpais is the Masau Trail. This trail links many of the most important and impressive remains of prehistoric and historic sites in the Southwest including Chaco Culture Historic Park, Pecos and Aztec National Monuments as well as El Malpais. $250,000 is needed to develop the interpretive programs for this trail. In addition, nearby Salinas National Monument is an outstanding example of historic pueblo structures and introduced Spanish conquest structures. Salinas needs $500,000 for ruin stabilization and maintenance.

Anti-looting

As you know, the SAA has made a major initiative to stop the looting and vandalism of archaeological and cultural resources throughout the nation. In this light, we urge you to recommend an addition of not less than $1 million in the ONPS budget for anti-looting efforts in units of the National Park System. This is the same as was earmarked in the fiscal 1988 appropriations.

Looting of archaeological sites is a national problem, one that is destroying our nation's cultural heritage. This outright criminal action is increasing by all accounts. The recent GAO report, "Cultural Resources: Problems Protecting and Preserving Federal Archeological Resources" (1987) highlighted the seriousness of the problem and recommended increases in funding, training and law enforcement. We must all recognize the seriousness of this problem. If something is not done soon there will be no intact archaeological sites left in the United States. Archaeological resources are like endangered species: Once destroyed, they are gone forever.

Looting threatens national park resources as well as those in national forests and public lands. (Looting also destroys resources on private lands, and thought must be given soon on what can be done to prevent this too.) In the case of the NPS and other Federal agencies, there are urgent needs for stronger enforcement of the Archaeological Resources Protection Act (ARPA), for increased staffing and funding for archaeological protection, and for more public awareness and education.

Curation

Last year Congress appropriated $2.73 million to begin a multi-year project for the cataloging and curation of the vast NPS collections. Over 70% of these collections are archaeological in nature and require special care. This year, the Administration requested no funding to continue this program. This is a massive undertaking and requires an enormous amount of work if it is to be done and done well. We urge your Committee to support sufficient funding within the ONPS budget to provide $2.8 million to continue this important program.

National Recreation and Preservation Programs

The SAA deplores the Administration's attempt to cut the funds for the National Register Programs from the $7.8 million appropriated for fiscal 1988 to $7.3 million for fiscal 1989. We urge you to restore the funds for these programs, including funds for the Historic American Buildings Survey (HABS) and Historic American Engineering Survey (HAER).

Departmental Consulting Archeologist

Included in the National Preservation Programs account is the Office of the Departmental Consulting Archeologist (DCA). The DCA is responsible for coordinating the overall federal archaeological program. In this capacity the DCA office needs additional funds to continue its efforts in anti-looting, law enforcement, employee training, and information clearing houses. We request that an additional $100,000 be appropriated and earmarked specifically for the DCA office for these activities, the same amount that you added for fiscal 1988.

Historic Preservation Fund

The SAA supports the efforts and requested amount of $150 million for the Historic Preservation Fund made by the National Conference of State Historic Preservation Officers. This is the sum annually authorized by the National Historic Preservation Act. Considering the preservation needs facing the United States today, it is a reasonable amount to request.

For archaeology, the Historic Preservation Fund's matching grants to the States serve two major functions: (1) to assist with surveys, investigations, analyses and interpretation of archaeological sites and their resources; and (2) to support state activities in the review process which protects sites from federally funded undertakings pursuant to Section 106 of the National Historic Preservation Act. Among other things, the State share of the Fund is also used to nominate archaeological sites to the National Register of Historic Places.

A recent "needs assessment" by the National Conference of SHPO's shows how States regard archaeological resources as important to their history. Many States highlighted archaeologically related projects. The need is great. Unlike historic buildings which may get tax credits or gain economic value from private investment, archaeological resources do not benefit from market-oriented approaches. Archaeology, by the nature of its subject matter, depends a great deal on government support. The State-funded programs are essential to assuring that archaeological and other historic preservation activities are carried out as Congress intended.

Land and Water Conservation Fund

The Land and Water Conservation Fund (LWCF) provides an important tool for national, state and local land acquisition, planning, and development of parks and recreational areas. The SAA urges your Subcommittee to recommend, as you have in the past, substantial increases in both the State and Federal sides of the LWCF.

State and Local LWCF Programs:

Of the total amount we are requesting for the LWCF, an estimated $200 million is needed for the state matching grants. Many archaeological and historical resources have benefited from the State side of the LWCF. Sites ranging from Indian burial grounds, pre-Revolutionary War forts, industrial period sites, Civilian Conservation Corps buildings and others have been incorporated into parks and recreation areas.

The State side of the LWCF is important to preserving and protecting both natural and cultural sites. Studies have shown that there are $340 million in grant applications currently pending and a needs estimate for the next three years of $1.9 billion. Therefore, $200 million is a reasonable, usable amount.

Federal Side, National Park Service:

The Federal side of the LWCF has also benefited archaeological and historical resources through the acquisition of lands and structures in new and expanded units of the National Park System.

The Cuyahoga Valley National Recreation Area in Ohio, for example, contains over 25% of the archaeological resources in the entire midwest region of the National Park Service. Similarly, significant archaeological sites have been acquired at other new areas, including the Santa Monica Mountains National Recreation Area in California.

In the Administration's budget, federal funds for the LWCF Fund are proposed to be cut drastically below the needed level. The Society supports the requests made by the National Parks and Conservation Association and the Wilderness Society for $675 million for the Federal side of the Land and Water Conservation Fund, of which over $190 million would be earmarked for the NPS acquisition program. Among the projects, the SAA would encourage the earmarking of about $5 million for the acquisition of inholdings within the newly authorized El Malpais National Monument in New Mexico.

THE FISH AND WILDLIFE SERVICE

The SAA requests that this Committee secure add-on funding for the Fish and Wildlife Service (FWS) to begin an agency-wide effort to document and protect archaeological resources. The Society recommends that $600,000 be appropriated for use by the FWS in fiscal 1989 for these purposes. This funding should be placed in the Refuge Operations Activity section and should be earmarked for necessary work that is not funded by the FWS for compliance with section 106 of the National Historic Preservation Act or for special appropriated projects such as the archaeological work that is underway at Stillwater National Wildlife Refuge in Nevada.

Refuge Programs:

FWS has jurisdiction over approximately 90 million acres of land, constituting one of the largest, protected administrative systems of land and water in the United States. Many of these lands have been acquired or designed by the federal government in an effort to protect valuable wildlife habitat, wetlands, and other resources for public use and scientific study. In addition to protecting our wildlife, however, it is important to note that this system contains thousands of archaeological sites that provide evidence of past human adaptation to the natural environment. Funding for completion of basic surveys and archaeological resource protection work for compliance with federal historic preservation requirements has been and continues to be lacking.

The FWS does not have a separate fund for the inventory and protection of archaeological and historic sites on its lands. Archaeological inventories are funded largely through individual agency undertakings as part of project costs. This results in an inefficient, piece-meal approach to managing the agency's archaeological sites. The most recent statistics compiled by the Secretary of the Interior through the end of fiscal 1986 indicate that the FWS has completed inventories on less than 1% of its lands, a smaller percentage than other land managing agencies.

Without sufficient documentation, it is difficult to reach an accurate assessment of the condition of archaeological sites managed by the FWS. As your Subcommittee knows, recent trends suggest that this country's archaeological record is being destroyed at an increasing rate. At recent hearings conducted in Colorado by the House of Representative's Committee on Interior and Insular Affairs, the Service estimated that between 30% to 50% of its archaeological sites located in the southwestern United States had been partially looted or destroyed. The Society for American Archaeology feels that this destruction and deterioration is part of a larger national trend that deserves the immediate attention of the Congress and the Service.

Stillwater National Wildlife Refuge:

The Stillwater National Wildlife Refuge is in need of an add-on of $250,000, earmarked specifically to continue the salvage archaeology of human skeletons begun in response to massive and unexpected erosion in 1987. The human skeletal remains have been exposed to natural elements, as well as looters and vandals, due to snow melt erosion. Remains of over 120 individuals have been discovered. These must be professionally excavated, documented and studied prior to reinterment.

BUREAU OF LAND MANAGEMENT

The Bureau of Land Management (BLM) has responsibility for the nation's largest collection of public lands. On these lands are some of the most diverse cultural resources in the country. The SAA opposes the Administration's recommendation to reduce the level of Cultural Resource Management funding by $380,000 from fiscal 1988.

Cultural Resources Management:

The SAA strongly supports restoring the $380,000 and increasing the overall Cultural Resources Management funding by at least $500,000. Restoration to the fiscal 1988 level would enable BLM cultural resource staff to continue base inventory and evaluation. The increase of $500,000 would allow BLM the staffand funds they need to meet the problems documented in the GAO report, "Problems Protecting and Preserving Archeological Resources" (1987). BLM cannot meet the challenges without add on funds earmarked for archaeological site protection, stabilization, site signing, patrols and ranger support.

Resource Protection:

In addition, the SAA strongly supports an add on of $900,000 in the Resource Protection Division for law enforcement for investigation, equipment, informants, cooperative agreements, training, surveillance and travel related to enforcement of the Archaeological Resources Protection Act (ARPA) and other federal statutes. The Administration recommended $3.530 million for the Resource Protection Division. This is the same level as last year. Resource Protection has been functioning at the same level of funding for several years, yet has been faced with increasing responsibilities and duties without additional funding. The Resource Protection division is responsible for investigation and prosecution of all federal laws including ARPA. In 1987, the division investigated 43 counts under Antiquities Theft and Destruction. It is estimated that they will address 59 by the end of 1988 and 66 in 1989.

THE OFFICE OF SURFACE MINING

Mr. Chairman, this is one case where we are not asking for any additional funding. We urge the Committee to look at the way the Office of Surface Mining Reclamation and Enforcement (OSM) manages their requirements under section 106 of the National Historic Preservation Act. Currently, the SAA has joined, in an "amicus" capacity, litigation brought by several other national organizations including the National Trust for Historic Preservation and the Society of Professional Archaeologists (SOPA) against OSM. The suit challenges the regulations developed by OSM for the consideration of archaeological resources during surface coal mining and OSM's overall failure to comply with federal preservation laws. We urge you to look into this manner, and would be happy to supply any further information you might need on it.

THE FOREST SERVICE

The Society is greatly concerned about the Administration's proposed reduction in the Recreation Management Program line item for Cultural Resource Management. The Agency identified a need for $18.7 million for cultural resource projects. The Administration cut that to $12.2 million. This is below the fiscal 1988 level.

Cultural Resources Management, Project Related Work

The Forest Service identified a minimum of $15 million needed for project-related work including timbers sales, road construction, land exchanges, and watershed projects just to keep in compliance with the National Historic Preservation Act. The SAA supports this amount.

Forest Service Special Initiatives

In addition, the SAA recommends the Subcommittee provide $3 million for special initiatives in program management activities including survey of areas of high cultural resource potential that were not scheduled for development (wilderness areas, etc.), inspection and monitoring of important properties to determine condition and need for protection, interpretation of selected properties for the education and benefit of the visitors, stabilization of selected properties threatened with imminent collapse or deterioration, development of management systems and databases to improve control of property records and collections, development of improved management techniques, and the evaluation of some of the backlog of unevaluated cultural properties (now exceeding 80,000 properties Nationwide).

Challenge Agreements and Other Innovative Programs

Challenge Agreements offer an innovative approach to cultural resource management. The SAA urges the Subcommittee to ear mark $500,000 in Fiscal 1989 for the Forest Service to pursue these matching grants. The Forest Service used $500,000 in Fiscal 1988 and the result is over $1 million in cultural resource work. Agreements were made with county or city governments, private corporations, private organization including the Boy Scouts of America, local historic preservation organization and groups with special interest in particular projects.

The use of volunteers or hosted program is yet another approach to getting a lot for a little. On the Superior National Forest in Minnesota, experts estimate that for approximately $5,000 last year, the Forest Service received over $40,000 in work equivalent. This is a 1:8 ratio. Most of the participants in the Superior project are volunteers or work study students from the University. Many other forests use senior citizens for similar projects.

There are many exciting projects which could be accomplished for a small federal input. For example, an add-on of less than $40,000 would begin a Native American oral history program to train Native American students to collect oral histories from tribal elders who once lived on what is Superior and Chippewa National Forests. The advantage of this type of program is that it offers training opportunities for minorities, enables the Forest Service to complete required work including revision of Forest plans and treaty rights. It supplements the forest history program in addition.

Washington Office Staffing Needs

The SAA also supports the request for $.2 million for the Washington Office to increase staff by two full time cultural resource persons and to implement new cultural resource management initiatives.

It is vital to the continued protection of the resources under the stewardship of the Forest Service that sufficient staff be available in the Washington Office to provide the needed coordination, training and assistance to the Forest Service staff. At present the Washington Office has a Cultural Resource Management staff of one person to provide these services to the entire Forest Service. A one person staff is seriously limited in the number of new initiatives that can be undertaken. Increasing the Washington Office by two full time staff persons will permit the expansion of the program into areas where work is urgently needed. This is key to the success of most of the other initiatives. A strong Washington Office effort is necessary to be successful in addressing these issues.

Specific report language

In addition to these funds, the Society requests the Committee include specific language encouraging the Forest Service to take a proactive approach to cultural resource management and to address the needs of non-project related cultural resource protection and resource enhancement.

CONCLUSION

The Society for American Archaeology recognizes that there is a large budget deficit and that under current deficit reduction laws additional funding for Federal programs is difficult to achieve. Budgets should be balanced in such a way that the public's interest is protected. The SAA feels strongly that the budget should not be "balanced" to the detriment of our nation's natural and cultural resource programs. We ask the Committee to continue to show concern and support for these vital programs by supporting our requests.

SUMMARY OF AMOUNTS REQUESTED

NATIONAL PARK SERVICE

Operation of the National Park System (ONPS)

- Base Funding, $52.2 million to restore base funding which the Administration proposes be made up by fees.

- El Malpais, $250,000 for park operations,
  - $5 million land acquisition
  - $250,000 for interpretation and development of the Masau Trail
  - $500,000 for stabilization of Salinas National Monument
- Anti-looting, $1 million
- Curation, $2.8 million

National Recreation and Preservation Programs

- National Register Programs
  - $345,000 HABS/HAER
  - $100,000 Dept Consulting Archaeologist

Historic Preservation Fund

$150 million for State Historic Preservation programs and National Trust for Historic Preservation

Land and Water Conservation Fund

$857 million, with $200 million directed to state funding

FISH AND WILDLIFE SERVICE

Refuges and Wildlife Activity, for Refuge Operations

- Base inventory $600,000
- Stillwater National Wildlife Refuge data recovery $250,000

BUREAU OF LAND MANAGEMENT

Cultural Resource Management

$380,000 restoration
$500,000 add on

Resource Protection $900,000

FOREST SERVICE

Recreation Management Program - Cultural Resource Management

- Cultural Resource Management
  - $15 million
- Special Initiatives
  - $3 million
- Challenge Agreements
  - $.5 million
- Washington Office staffing and initiatives
  - $.2 million

Organized 1870 to Promote the Conservation, Development and Wise Utilization of the Fisheries

AFS American Fisheries Society

STANLEY A. MOBERLY
President 1987-1988

CARL R. SULLIVAN
Executive Director

PAUL BROUHA
Deputy Director

April 4, 1988

The Honorable Dale Bumpers, Chair
Subcommittee on Public Lands,
National Parks and Forests
SD-308 Dirksen Senate Of. Bld.
Washington, DC 20510

Dear Chairman Bumpers:

The American Fisheries Society (AFS) appreciates the opportunity to present these written comments concerning the proposed Fiscal Year 1989 fisheries program budget of the U.S. Fish and Wildlife Service.

Founded in 1870, AFS is the world's oldest and largest organization of fisheries scientists. Our 8,500 members are employed by public agencies, educational institutions, and private industry, and represent an organization which has been active in fisheries research, scientific publishing, conservation, and enhancement for 118 years. We ask that this letter be included in the official record of the hearing.

The Fish and Wildlife Service has a principal responsibility to provide leadership in management of the fish and wildlife resources of this nation. The American Fisheries Society recommends the Congress continue support for the Service's conduct of its mission by amendment of the Administration's proposed FY 1989 budget in the following program areas:

Resource Management - Fisheries

Fishery management on national wildlife refuges historically has been drastically underfunded. The simple development of fishery management plans will require 40 years at current funding levels and no implementation is possible. To fully fund this program $4.5 million is needed annually for plan development and $12 million is needed annually for implementation. We understand the Administration has zeroed out the program, funded at $200,000 in 1988, and proposes also to leave unfunded the refuge challenge grant program which was initiated in FY 1988 at a level of $200,000. **The American Fisheries Society recommends $700,000 for plan development, $1.5 million for plan implementation, and $500,000 for continuation of the refuge challenge grant program.**

In 1983 several fish and wildlife assistance offices, one fish health center, and four fish hatcheries were tranferred to the Bureau of Indian Affairs. Since that time the Service has operated the facilities under contract to the Bureau. A continued reduction of funding has occurred as well as increasing pressure for the tribes to rapidly transition into control of these facilities. We feel the Service, under its trust responsibilities and in its support role for the Indian Self-determination and Education Act (PL93-638), should run these facilities directly until the tribes choose to exercise their right of self-determination.

5410 GROSVENOR LANE, SUITE 110 • BETHESDA, MARYLAND 20814-2199 • (301) 897-8616, 897-8621

AFS recommends $1.8 million be added to Fish Hatchery Operations and Maintenance subactivity and that budget authority for the involved facilities be with the Fish and Wildlife Service.

Fishery management and fish culture are rapidly developing fields. The leadership role of the Service in these areas requires that their professional staff be trained in the latest techniques and that they offer similar training to states, tribes, and the private sector. Demand for Fisheries Academy services frequently exceeds the limits imposed by budget and staffing. **AFS recommends a budget of $550,000 to address the full scope of Academy services. We further recommend that tuition charged outside groups be reinvested directly into Fisheries Academy programs instead of returning to the Treasury.**

Research and Development

We were gratified to see the enthusiasm for the expansion of the Cooperative Research Unit Program exhibited by Congress in FY 1988. Additional funds are needed now to complete staffing of all units. **We request the Administration's proposed funding be increased $700,000 to a level of $6.5 million for the Cooperative Research Unit program.**

Several important fishery research programs funded in Congress in FY 1988 have been left out of the Administration's FY 1989 proposal. We recommend the following programs be funded at the levels indicated:

Fisheries and Wildlife Reviews	$565,000
US/Canada Treaty-Yukon River Salmon Research	$325,000
ANWR-Fishery Resource Protection Research	$225,000
Introduced Species Initiative, Redfish and Estuarine Research-Gainesville, FL	$650,000
Northeast Anadromous Lab Program Development	$300,000
Atlantic Striped Bass Marking and Tagging Center	$225,000

Construction and Rehabilitation

The Service's anadromous fish grants to states program should be continued. These funds are used to coordinate and enable complementary state programs. It is not a substitute for Wallop/Breaux funding and conversely Wallop/Breaux funds should not be used to replace these federal funds. **We recommend funding for anadromous fish grants be increased to $3.5 million for FY 1989 with $500,000 dedicated to striped bass.**

National Fish and Wildlife Foundation

The Foundation was established to encourage private donations for assisting federal fish and wildlife management and has been extremely successful thus far. Contributions have been made to several significant programs. **We support continued funding of the Foundation at the full $5 million authorization.**

Fisheries Law Enforcement

Reestablishment of lake trout stocks in the Great Lakes has taken considerable research and management effort. Lake trout regulations among the states are not uniform, hence interstate harvest management is rendered difficult. A demonstration project involving undercover and uniformed officers is needed to collect harvest data, continue an enforcement presence, and evaluate what changes need to be made to achieve uniform enforceable regulations. **We recommend $800,000 be added to the Administration's request to initiate this important investigation.**

The aggressive conduct of the Service's mission is an essential bridge among state jurisdictions. We commend the Congress for its continuing support.

Thank you for the opportunity to comment.

Sincerely,

Carl Sullivan

Carl R. Sullivan
Executive Director

CRS/slb